

# **Ticket to Work and Self-Sufficiency Program: Overview and Current Issues**

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## Summary

Title I of the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170) was signed into law on December 17, 1999, and created a Ticket to Work and Self-Sufficiency program, administered by the Social Security Administration (SSA). Through the Ticket to Work legislation, Congress sought to address several major work disincentives for individuals with disabilities. Ticket to Work provides a “ticket” or voucher to working-aged Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries to obtain employment and other support services. Services are furnished through the current system of state vocational rehabilitation (VR) agencies or a ticket holder’s choice of an approved public or private sector, program-specific employment network (EN) to assist them in entering or re-entering the workforce. Additional provisions are briefly described below.

The Ticket to Work program was phased in nationally in three stages, which began in February 2002 and concluded in September 2004. By statute, SSA contracts with program managers (PMs) to administer program aspects related to ENs and ticket holders. As of December 31, 2013, SSA has 666 ENs certified to provide employment support services for ticket holders in all 50 states and the District of Columbia. Of the approximately 13.6 million “active” tickets that have been issued by SSA, 319,972 (approximately 2.4%) are “in-use,” that is, a disability beneficiary has assigned his or her ticket to an EN or state VR agency.

P.L. 106-170 also directed SSA to establish supplementary work incentive programs designed to reduce dependence on disability benefits and encourage workforce participation. The Work Incentives Planning and Assistance (WIPA) program was created to disseminate accurate information to Social Security disability beneficiaries on work incentive projects. SSA established cooperative agreements with community-based organizations to provide benefits planning, assistance, and outreach services to beneficiaries. In addition, SSA established the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program with the aim of providing information and advice about how to obtain vocational rehabilitation, employment, advocacy, or other services that SSDI or SSI beneficiaries may need to secure or regain gainful employment.

The Ticket to Work program underwent major regulatory changes in July 2008, which, among other adjustments, increased financial incentives for ENs and expanded the eligibility criteria for Social Security disability beneficiaries to participate. The program has come under increased scrutiny by policy makers due to low SSDI and SSI beneficiary participation and lower than expected return-to-work rates among ticket holders. In addition, a May 2011 Government Accountability Office (GAO) assessment reported a lack of oversight of the program that has led to service approaches among some ENs that are out of line with the general goal of the Ticket program, which is to reduce beneficiaries’ dependence on benefits through earnings from work.

Ticket to Work legislation also created state options to eliminate the dilemma faced by many beneficiaries—choosing between work and health insurance coverage—through provisions that allow for additional Medicaid eligibility options and an extension of Medicare eligibility. This report only discusses the Ticket to Work program components administered by SSA and does not address issues related to the Medicaid or Medicare programs.

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## Introduction

Title I of the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170) established the Ticket to Work and Self-Sufficiency program (hereinafter referred to as the Ticket to Work or Ticket program), which is administered by the Social Security Administration (SSA). The purpose of this program is to enhance work incentives for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries. The legislation created a “ticket” system to expand choices in the numbers and types of providers that SSDI and SSI beneficiaries may choose to assist them in receiving employment services. The legislation also expanded Medicare and Medicaid coverage for individuals with a disability who are working or could work.<sup>1</sup> Most notably, the Ticket to Work program created a market for public and private providers of support services known as employment networks (ENs) to which Social Security disability beneficiaries can voluntarily assign their tickets in exchange for a range of employment support services. The goal of the Ticket program is to reduce dependence on disability benefits and help Social Security disability beneficiaries enter or reenter the workforce. ENs would then be eligible to receive payments from SSA based on ticket holders achieving employment “milestones” or outcomes.

This report provides an overview of how the Ticket to Work program operates and addresses several issues related to the Ticket program. First, it provides a brief background on the SSDI and SSI programs and a legislative history on how the Ticket program evolved. Second, this report provides an in-depth explanation on the various components and regulations of the Ticket to Work program in its current form and prior to major regulatory changes in July 2008.<sup>2</sup> Third, it examines other work incentive programs created by Ticket to Work legislation and concludes with a discussion on the issues surrounding implementation of the Ticket program.

## Background

SSA administers two disability programs, SSDI and SSI, Titles II and XVI of the Social Security Act respectively.<sup>3</sup> SSDI is an insurance program for workers and their dependents for which benefits are paid to individuals who have a disability and have worked and made contributions to the U.S. Social Security system.<sup>4</sup> Individuals who collect SSDI also become entitled to coverage under the Medicare health insurance program (Title XVIII of the Social Security Act) after a 24-month waiting period.<sup>5</sup>

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<sup>1</sup> This CRS report only addresses the SSA-administered components of the Ticket to Work program (Title I of P.L. 106-170) and does not include a discussion on the expanded healthcare services provided through Medicaid and Medicare (Title II of P.L. 106-170). For more information on the Medicaid program, see CRS Report R43357, *Medicaid: An Overview*, coordinated by Alison Mitchell; for more information on the Medicare program, see CRS Report R40425, *Medicare Primer*, coordinated by Patricia A. Davis and Scott R. Talaga.

<sup>2</sup> An expanded description of employment network (EN) payment systems is described in **Appendix B**.

<sup>3</sup> For more information, see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

<sup>4</sup> To qualify for SSDI, disabled workers must earn at least one quarter of coverage (work credit) for each calendar year after they turned 21 years old and have at least 20 quarters of coverage during the past 10 years. However, individuals who become disabled before the age of 31 need fewer work credits to qualify for SSDI benefits. For more information, see SSA, *Benefits Planner: Number of Credits Needed For Disability Benefits*, <http://www.ssa.gov/retire2/credits3.htm>.

<sup>5</sup> For more information, see CRS Report RS22195, *Social Security Disability Insurance (SSDI) and Medicare: The 24-Month Waiting Period for SSDI Beneficiaries Under Age 65*, by Scott D. Szymendera.

SSI is a means-tested disability program for low-income individuals who are aged, blind, or disabled and have limited resources. In general, individuals are eligible for SSI if their countable income falls below the federal benefit rate (FBR) and they have countable resources of less than \$2,000 for an individual.<sup>6</sup> In most states, beneficiaries who collect SSI are automatically entitled to coverage under the federal-state Medicaid health insurance program (Title XIX of the Social Security Act).

Individuals are considered to have a disability if they meet the definition established under the Social Security Act. Disability is defined as the inability to engage in any “substantial gainful activity” (SGA) due to a medically determinable physical or mental impairment that is expected to last for at least 12 months or result in death. SGA is defined in federal regulations as paid work involving significant and productive physical or mental duties.<sup>7</sup> For 2014, the monthly SGA thresholds are \$1,800 for individuals who are blind and \$1,070 for individuals with other disabilities.<sup>8</sup> SGA limits are adjusted annually to reflect growth in average wages.<sup>9</sup>

In 2013, approximately 12.2 million beneficiaries collected monthly SSDI or SSI benefits.<sup>10</sup> Together these two programs represent the largest disability benefit system in the nation, with combined federal expenditures of approximately \$146.8 billion in 2013.<sup>11</sup> Although both SSDI and SSI include a number of work incentives and offer rehabilitation services to individuals with a disability, the number of people who leave the benefit rolls to work (i.e., engage in SGA) is very small. In 2012, 0.4% of SSDI beneficiaries actually left the disability rolls because of work.<sup>12</sup>

The small incidence of return-to-work has been partially attributed to the built-in disincentives of the SSDI and SSI programs. Because eligibility depends upon proving an inability to work, recipients risk losing both cash benefits and health insurance coverage if they successfully attempt to work.<sup>13</sup>

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<sup>6</sup> The FBR is the maximum dollar amount paid to an SSI beneficiary. For 2014, the FBR is \$721 for an individual living independently and \$1,082 for a couple living independently.

<sup>7</sup> See 20 C.F.R. §404.1584 for SGA rules for beneficiaries who are blind and 20 C.F.R. §404.1571 for non-blind beneficiaries. Under Section 223(d) of the Social Security Act, the Commissioner of SSA is given authority to promulgate regulations prescribing the criteria for determining when earnings demonstrate an individual’s ability to engage in SGA. The Social Security Act specifies a higher SGA amount for statutorily blind individuals. SGA for the blind applies to SSDI benefits, but does not apply to SSI benefits. For more information, see CRS Report RS20479, *Social Security: Substantial Gainful Activity for the Blind*, by William R. Morton.

<sup>8</sup> For past SGA levels, see <http://www.socialsecurity.gov/OACT/COLA/sga.html>.

<sup>9</sup> For the SGA calculation method, see <http://www.socialsecurity.gov/OACT/COLA/sgadet.html>.

<sup>10</sup> For SSDI, this combined figure includes the average monthly number of beneficiaries who were in current pay status for the months in which a benefit was payable. For SSI, this combined figure includes only the average monthly number of beneficiaries between the ages of 18 and 64 who were not concurrent SSDI/SSI beneficiaries and were in current pay status for the month in which a payment was made. These are the same figures that SSA uses to compute the Payment Calculation Base (PCB). For further explanation, see footnote 96 in **Appendix B**.

<sup>11</sup> Total expenditures include only payments to beneficiaries described in footnote 10 and exclude any related administrative costs. This figure is the annualized total of the average monthly benefit amounts that SSA uses to compute the Payment Calculation Base (PCB). For further explanation, see footnote 96 in **Appendix B**.

<sup>12</sup> Social Security Administration, *Annual Statistical Report on the Social Security Disability Insurance Program, 2012*, November 2013, Table 57, [http://www.ssa.gov/policy/docs/statcomps/di\\_asr/2012/di\\_asr12.pdf](http://www.ssa.gov/policy/docs/statcomps/di_asr/2012/di_asr12.pdf).

<sup>13</sup> David Stapleton, Stephen Bell, and David Wittenburg et al., *BOND Implementation and Evaluation*, Abt Associates, Inc. and Mathematica Policy Research, Inc., BOND Final Design Report, December 3, 2010, p. 1, [http://www.ssa.gov/disabilityresearch/documents/BOND\\_Design%20Report\\_FINAL\\_Del2-2\\_12-17-10.pdf](http://www.ssa.gov/disabilityresearch/documents/BOND_Design%20Report_FINAL_Del2-2_12-17-10.pdf). Stapleton et al. provide a concise explanation about the effects of the loss of cash benefits among SSDI beneficiaries, also known as the “cash cliff.”

## Legislative History of the Ticket to Work Program

Prior to the passage of Ticket to Work legislation, policy makers and advocates for individuals with disabilities had long argued that work incentives under the law were complex and difficult to understand.<sup>14</sup> Some contended that several reasons for the high rate of unemployment among beneficiaries included confusing rules, arcane procedures, and disincentives built into the Social Security disability programs. Advocates noted surveys showed that most working-age people with disabilities want to work<sup>15</sup> and maintained that the numerous federal regulations and program rules have the effect of discouraging otherwise qualified and eager job seekers with disabilities from seeking employment. Return-to-work legislation subsequently became the subject of several legislative proposals,<sup>16</sup> congressional hearings,<sup>17</sup> and a major component of the Clinton Administration's comprehensive strategy to increase employment among individuals with disabilities.

On March 18, 1998, President William J. Clinton established the Presidential Task Force on the Employment of Adults with Disabilities (PTFEAD). This Cabinet-level task force was charged with conducting an extensive public policy review with the goal of increasing the employment of individuals with disabilities and addressing other barriers to work among adults and young people with disabilities.<sup>18</sup> PTFEAD produced a series of reports that analyzed existing federal programs and policies to determine and track changes that would be necessary to remove barriers to work,

<sup>14</sup> For example, see the testimony of Jane L. Ross, director of Income Security Issues in the Health, Education and Human Services Division at GAO in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Barriers Preventing Social Security Disability Recipients From Returning to Work*, 105<sup>th</sup> Cong., 1<sup>st</sup> sess., July 23, 1997, serial no. 105-61 (Washington: GPO, 1999).

<sup>15</sup> Peter Risher and Stacey Amorosi, *The 1998 N.O.D./Harris Survey of Americans with Disabilities*, National Organization on Disability/Louis Harris & Associates, Inc., New York, NY, 1998.

<sup>16</sup> Return-to-work legislation for Social Security disability beneficiaries had been introduced in prior Congresses before the enactment of P.L. 106-170. For example, the Rehabilitation and Return to Work Opportunity Act of 1996 (H.R. 4230) introduced in the 104<sup>th</sup> Congress would have, among other provisions, extended healthcare coverage for Social Security beneficiaries in addition to creating a milestone payment system to a network of private-sector rehabilitation service providers for achieving certain employment outcomes for beneficiaries.

Additionally, the Transition to Work Act of 1997 (H.R. 534) introduced in the 106<sup>th</sup> Congress, would have provided a "ticket" (similar to the "Ticket to Work") for beneficiaries to redeem for public or private vocational rehabilitation services. H.R. 534 also would have extended Medicare coverage to certain beneficiaries and provided tax credits to employers of beneficiaries whose disability payments were terminated due to earnings from work.

<sup>17</sup> For committee hearings held during the 106<sup>th</sup> Congress, see U.S. Congress, House Committee on Commerce, Subcommittee on Health and Environment, *The Work Incentives Improvement Act of 1999*, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., March 23, 1999, serial no. 106-15 (Washington: GPO, 1999); U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Barriers Preventing Disability Beneficiaries From Returning to Work*, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., March 11, 1999, serial no. 106-5 (Washington: GPO, 1999); and U.S. Congress, Senate Committee on Finance, *Work Incentives Improvement Act of 1999*, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., February 4, 1999, S.Hrg. 106-122 (Washington: GPO, 1999).

<sup>18</sup> Executive Order 13078, "Increasing Employment of Adults With Disabilities, Establishment of National Task Force on Employment of Adults with Disabilities," 63 *Federal Register* 13111, March 18, 1998. Later amended by Executive Order 13172, "Amendment of Executive Order 13078, To Expand the Role of the National Task Force on Adults With Disabilities To Include Focus on Youth," 65 *Federal Register* 64577, October 27, 2000 and Executive Order 13187, "The President's Disability Employment Partnership Board, made Chairperson of the Board a member and Vice Chair of the National Task Force on Employment of Adults with Disabilities," 66 *Federal Register* 3857, January 17, 2001. In an initial report to the President, PTFEAD outlined four specific strategies to achieve the Administration's goal of increasing employment of individuals with disabilities, which included providing (1) access to healthcare, (2) economic incentives to return to work, (3) accommodations to normalize the work environment, and (4) expanded access to education, training, and rehabilitative services.<sup>18</sup>

address issues surrounding health insurance coverage, and analyze employment outcomes of programs focused on youths with disabilities.<sup>19</sup> Ultimately, PTFEAD's recommendations prompted the Clinton Administration to seek full funding in the FY2000 budget request for Ticket to Work programs.<sup>20</sup>

Along with several initial cosponsors in the 106<sup>th</sup> Congress, Senator James M. Jeffords introduced the Work Incentives Improvement Act of 1999 (S. 331) on January 18, 1999, and on March 18, 1999, Representative Rick Lazio introduced the Ticket to Work and Work Incentives Improvement Act of 1999 (H.R. 1180). Ticket to Work legislation garnered broad bipartisan and bicameral support. A conference report incorporating both bills into H.R. 1180 was passed by the House on October 19, 1999, by a vote of 418 to 2 and by the Senate on November 19, 1999, on a 99 to 1 vote. President Clinton signed H.R. 1180 into law on December 17, 1999, which became P.L. 106-170.

Specifically, the legislation authorized (1) "tickets" or vouchers to beneficiaries to give them increased choice of rehabilitation providers and access to services needed to obtain and retain employment,<sup>21</sup> (2) payments to employment service providers based on ticket holder achieving certain employment "milestones" or outcomes, (3) SSA demonstrations to test different approaches to removing barriers to employment for Title II (SSDI) beneficiaries,<sup>22</sup> and (4) options for states to adopt a Medicaid "buy-in" program to allow beneficiaries to maintain health coverage after returning to work and a continuation of Medicare coverage to certain beneficiaries who are working.

On December 13, 1999, the Congressional Budget Office (CBO) produced final scoring on the budgetary effects of H.R. 1180 as passed by the House and Senate.<sup>23</sup> CBO estimated modest gains in Social Security beneficiaries' future participation in the proposed expanded network of employment support services, beyond the services that were primarily offered by state VR agencies.<sup>24</sup> Overall, by FY2009, CBO projected that the Ticket to Work program (Title I of H.R. 1180) would reduce direct spending by \$53 million and \$32 million for the SSDI and SSI programs, respectively, through the combination of payments to ENs and the avoidance of payments to beneficiaries whose benefits would be suspended or terminated due to earnings from work.<sup>25</sup>

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<sup>19</sup> See Presidential Task Force on Employment of Adults with Disabilities, *Recharting the Course: The Third Report*, Washington, DC, December 15, 2000, and Presidential Task Force on Employment of Adults with Disabilities, *People with Disabilities – Strengthening the 21<sup>st</sup> Century Workforce* Washington, DC, July 26, 2002.

<sup>20</sup> See Presidential Task Force on Employment of Adults with Disabilities, *Re-Charting the Course: The Second Report*, Washington, DC, November 15, 1999, p. 1. The Task Force also cited several other Administration initiatives prompted by *The First Report* which, among other proposals, included (1) investments in assistive technology, (2) tax credits for work-related expenses, (3) grants for work incentives, and (4) raising the SGA level for Social Security disability programs. The Clinton Administration had also included a related return-to-work proposal in the FY1998 budget.

<sup>21</sup> 42 U.S.C §1148(a).

<sup>22</sup> 42 U.S.C. §234(a).

<sup>23</sup> Congressional Budget Office, *Pay-As-You-Go Estimate: H.R. 1180 – Ticket to Work and Work Incentives Improvement Act of 1999 As cleared by the Congress on November 19, 1999*, December 13, 1999, <http://cbo.gov/doc.cfm?index=1807&zzz=8279>.

<sup>24</sup> According to CBO, state VR agencies only served a fraction of Social Security disability beneficiaries. Approximately 10%-15% of new beneficiaries were referred to state VR agencies and, of those individuals, about 10% were accepted for rehabilitative services. At the time, CBO estimated that about 2%-3% of SSDI recipients had benefits withheld due to earnings from work, with only 1% of beneficiaries receiving VR services.

<sup>25</sup> Ibid. Table 3. CBO also contended that there was little evidence that the additional Titles of H.R. 1180 would lead to

## Ticket to Work and Self-Sufficiency Program

The Ticket to Work and Self-Sufficiency program was designed to address several barriers to work for individuals with disabilities through greater access to healthcare and a broader pool of employment service providers or ENs. Under the program, SSA provides eligible SSDI and SSI beneficiaries with a “ticket” that can be used as a voucher to obtain VR, employment and other support services from an approved EN or state VR agency. ENs are responsible for assisting ticket recipients with entering or re-entering the workforce. The program is currently administered by two contracted program managers (PMs) who report to SSA administrators.

Initial regulations for the implementation of the Ticket program were published in the *Federal Register* on December 28, 2001, and the program was phased in nationally over a three-year period beginning in 2002.<sup>26</sup> The program was initially available for eligible beneficiaries in 13 states and was extended to all states by September 2004.<sup>27</sup>

In an effort to provide greater financial incentives to ENs and expand Ticket eligibility to a greater number of beneficiaries, the Ticket program underwent a number of regulatory adjustments in July 2008.<sup>28</sup> Among other changes, the new rules modified the payment schedule for ENs and allowed disability beneficiaries with medical conditions that were expected to improve to also participate in the Ticket program. These beneficiaries had been previously excluded. **Table A-1** in **Appendix A** shows a side-by-side comparison of the key components of the Ticket to Work program that were subject to the July 2008 regulatory changes and new provisions that were implemented.

### Definition of a “Ticket”

According to SSA regulations, a “ticket” is a document that is issued to an eligible beneficiary that authorizes payment by SSA to an EN or state VR agency that provides employment services, vocational rehabilitation, and other support services to the beneficiary. Participation in the program is voluntary and the beneficiary chooses when and whether to assign his or her ticket to an EN.<sup>29</sup> An example of a ticket is shown in **Figure 1**.

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savings in the SSDI and SSI programs.

<sup>26</sup> For further information on the initial program rules, see *Federal Register*, vol. 66, no. 249, December 28, 2001, pp. 67370-67442.

<sup>27</sup> The initial 13 states were: Arizona, Colorado, Delaware, Florida, Illinois, Iowa, Massachusetts, New York, Oklahoma, Oregon, South Carolina, Vermont, and Wisconsin. Beneficiaries in these states received tickets starting in February 2002.

Implementation of the program in the second round of states began in November 2002. The second round included Alaska, Arkansas, Connecticut, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, South Dakota, Tennessee, Virginia, and the District of Columbia.

Implementation of the program in the third round of states began in November 2003 and included Alabama, California, Hawaii, Idaho, Maine, Maryland, Minnesota, Nebraska, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Washington, West Virginia, Wyoming, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands.

<sup>28</sup> Social Security Administration, “Amendments to the Ticket to Work and Self-Sufficiency Program; Final Rule,” 73 *Federal Register* 29324, May 20, 2008.

<sup>29</sup> For information on how long a ticket remains active once assigned, see the section of this report entitled “Ticket Ending Period.”

Figure 1. Sample Ticket

**Social Security Administration**


**Ticket to Work and Self-Sufficiency**

Ticket Number  
123-45-6789TW

Claim Account Number  
987-65-4321 W

Issue Date:

**SAMPLE**



This ticket is issued to you by the Social Security Administration under the Ticket to Work and Self-Sufficiency Program. If you want help in returning to work or going to work for the first time, you may offer this ticket to an Employment Network of your choosing or take it to your State vocational rehabilitation agency for services. If you choose an Employment Network and it agrees to take your ticket, or if you choose your State agency and you qualify for services, these providers can offer you services to help you go to work.

An Employment Network provides the services at no cost to you. The Social Security Administration will pay the Employment Network if you assign your ticket to it, and the Employment Network helps you go to work and complies with other requirements of the Program. An Employment Network serving under the Program has agreed to abide by the rules and regulations of the Program under the terms of its agreement with the Social Security Administration for providing services under the Program. Your State agency can tell you about its rules for getting services.

*James B. Burroughs*  
Commissioner of Social Security

Source: Ticket to Work website at <http://www.yourtickettowork.com/>.

## Eligibility Requirements for a Ticket

All individuals with disabilities who are between the ages of 18 and 64 are considered eligible for a ticket if they are receiving federal SSDI or SSI cash benefits and are in current pay status.<sup>30</sup> SSA is prohibited from initiating a continuing disability review (CDR) during any period for which an individual is participating in the Ticket program.<sup>31</sup> Eligibility for a ticket terminates when entitlement to SSDI or SSI terminates for reasons other than work activity or earnings.

## Employment Networks

ENs may include any public or private entity that can provide directly, or arrange for other organizations or entities to provide employment services, VR services, or other support services. This may include state VR agencies,<sup>32</sup> one-stop delivery systems under the Workforce Investment

<sup>30</sup> Under rules prior to July 2008, individuals must have had a permanent impairment, a non-permanent impairment for which medical improvement was possible but could not be predicted, or have had an impairment that was expected to improve and have had at least one continuing disability review (CDR) which made a determination that the disability continues.

<sup>31</sup> Individuals receiving SSDI or SSI disability benefits are generally subject to periodic CDRs to determine if they continue to meet the definition of disability.

<sup>32</sup> Title I of the Rehabilitation Act of 1973, as amended, authorizes the federal government to make grants to states and territories to provide vocational rehabilitation (VR) services to persons with disabilities who are interested in seeking and retaining employment. State and territorial VR agencies work with clients to determine their optimal employment outcomes and put together packages of services to help them meet these employment goals. See CRS Report R42148, *Vocational Rehabilitation Grants to States: Program Overview*, by Benjamin Collins.

Act (WIA) of 1998,<sup>33</sup> public or private schools, or employers that conduct job training programs and other employment support services. An entity applies to become an EN contractor by completing a Request for Quotation (RFQ) to SSA's Employment Networks Contract Team.<sup>34</sup>

ENs assume responsibility for the coordination and delivery of services to individuals who have assigned tickets to them. SSA selects and enters into agreements with these employment networks. ENs and beneficiaries together develop an individual work plan (IWP) that provides for informed choice for each beneficiary in selecting an employment goal and specific services needed to achieve that goal. ENs have been selected to conduct vocational rehabilitation and other services for ticket holders in all 50 states and the District of Columbia. A listing of approved ENs is available by state and service-type on the Ticket to Work website or by contacting the program manager Maximus' toll-free line.<sup>35</sup>

## **Program Manager**

Ticket to Work legislation requires SSA to contract with one or more Program Managers (PMs) through a competitive bidding process to assist SSA in administering the program. SSA contracted with the Federal Services division of Maximus, a consulting and program management firm, on September 29, 2000, to assume the responsibility of PM for the Ticket program.<sup>36</sup> On September 30, 2008, SSA awarded an additional contract to Maximus to serve as the Ticket Program Data Operations Center Manager (TPDOCM), responsible for maintaining electronic systems that support daily ticket operations and provide system support services and management to SSA.<sup>37</sup>

A PM can be one or more organizations in the private or public sector with expertise and experience in the field of VR or employment services. The PM is responsible for providing information to beneficiaries and the general public about the program, recruiting and recommending ENs to SSA, ensuring adequate availability of, and access to, services to beneficiaries, and providing assurance that ENs are complying with the terms of their agreements. A PM is excluded from directly providing employment services to participating individuals.

SSA reassigned certain PM duties from Maximus, Inc. through a separate PM contract with Booz Allen Hamilton, a strategy and technology-consulting firm. On September 29, 2010, Booz Allen Hamilton was awarded a five-year PM contract to serve as Beneficiary Access and Support Services (BASS) manager with responsibility for designing, implementing, and supporting the marketing of the Ticket program as well as administering the program's call centers, website, and electronic mail.<sup>38</sup> On September 29, 2010, Maximus was also awarded a five-year PM contract to serve as the Operations Support Manager (OSM), handling all activities related to ENs, including

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<sup>33</sup> WIA (P.L. 105-220) was enacted to facilitate increased coordination among federal workforce development programs. For more information, see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

<sup>34</sup> An electronic version of the RFQ can be found on the SSA Work Site at <http://www.ssa.gov/work/enrfp.html>.

<sup>35</sup> For a directory of ENs, see <https://yourtickettowork.com/web/ttw/en-directory> or call Maximus at 1-866-YourTicket (1-866-968-7842).

<sup>36</sup> For more information on Maximus Federal Services, see <http://www.maximus.com/services/federal>.

<sup>37</sup> According to SSA, the five-year contract expired on September 29, 2013 (see <http://ssa.gov/work/contracts.html>).

<sup>38</sup> Prior to the awarding of PM contracts in 2010, the PM for BASS was known as the PM for Recruitment and Outreach (PMRO).

recruitment, training, and payments, in addition to managing data and other information related to the Ticket program.<sup>39</sup>

## Employment Network Payment Systems

P.L. 106-170 authorizes two payment options to ENs and state VR agencies acting as ENs for achieving an employment outcome: a *Milestone-Outcome* payment system and an *Outcome-only* payment system.<sup>40</sup> Each EN or VR agency elects the payment system under which it will be paid for each individual client.<sup>41</sup>

ENs use the ticket to claim payment from SSA for services they provide to ticket holders. They are paid for each month, based on either payment option limits, in which a ticket holder is not receiving benefits because the individual is working and has earnings above certain thresholds (see **Figure 2**). ENs are prohibited from seeking additional compensation from ticket holders; however, as a result of July 2008 regulatory changes, ENs are allowed to formally supplement a client's earnings through direct payments to the ticket holder.<sup>42</sup>

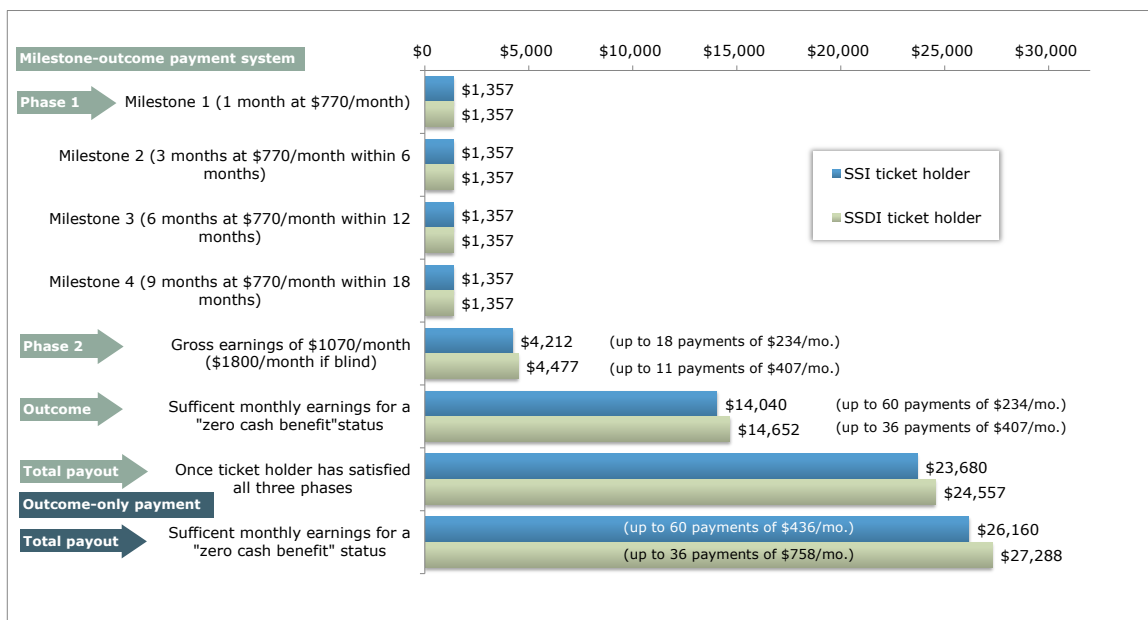
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<sup>39</sup> According to SSA, the combined functions of the BASS and OSM contractors provide the services "necessary to perform the PM's role." For more information, see Social Security Administration, *DI 55005.001 General Questions about the Program Manager's (PM's) Role in the Ticket to Work Program*, December 18, 2013, <http://policy.ssa.gov/poms.nsf/lnx/0455005001>.

<sup>40</sup> See **Appendix A** for an in-depth analysis of EN payment systems and a comparison of EN payment systems before and after the July 2008 regulatory changes.

<sup>41</sup> Under prior and current rules, state VR agencies can also receive payment for services to ticket holders through the "cost-reimbursement" program, where SSA will reimburse the agency for the cost of services that they furnish to Social Security disability beneficiaries. However, state VR agencies also serve as de facto ENs if they elect to be paid under the EN payment systems. Under current rules both a state VR agency and an EN can receive payment for providing services to the same beneficiary. See the section in this report entitled "State VR Agencies and ENs Serving the Same Ticket Holder (Partnership Plus)."

<sup>42</sup> See 20 C.F.R. §411.566. SSA treats EN payments to beneficiaries as unearned income.

**Figure 2. Ticket to Work Payment Systems for Employment Networks, Calendar Year 2014**

**Source:** CRS table of estimated payments based on SSA regulations.

**Notes:** Totals and subtotals are rounded.

### Milestone-Outcome EN Payment System

As illustrated in **Figure 2**, the Milestone-Outcome system provides payments to ENs of \$1,357 for 2014 based on the completion of up to four Phase 1 milestones in which a ticket holder has earnings from work above the trial work period (TWP) level (\$770/month for 2014).<sup>43</sup> In addition, an EN can also receive up to 11 Phase 2 milestone payments for SSDI or concurrent<sup>44</sup> ticket holders or up to 18 Phase 2 milestones for SSI ticket holders for months in which the beneficiary has earnings above the SGA level (\$1,070 for non-blind and \$1,800 for the blind for 2014).<sup>45</sup> Finally, ENs can receive up to 60 outcome payments for SSI ticket holders (\$234/month for 2014) and 36 payments for SSDI or concurrent ticket holders (\$407/month for 2014) for months in which the ticket holder has earnings from work sufficient for zero cash benefits. For 2014, ENs can receive up to \$23,680 in total payments for SSI ticket holders and up to \$24,557 in total payments for SSDI ticket holders for the completion of all Milestone-Outcome phases.

### Outcome-Only EN Payment System

Under the Outcome-only payment system, ENs can receive payment only for ticket holders that have earnings sufficient for a zero cash benefit status. For 2014, ENs can receive up to 36

<sup>43</sup> A TWP allows a disability beneficiary to test their ability to work for up to nine months without affecting their cash or Medicare benefits. SSDI payments will stop after a three-month grace period, following the nine-month trial work period, when the beneficiary has monthly earnings at or above the SGA level.

<sup>44</sup> A concurrent beneficiary is an individual who is simultaneously receiving SSDI and SSI benefits. For purposes of Ticket to Work and other work incentives programs, concurrent beneficiaries are treated the same as SSDI beneficiaries.

<sup>45</sup> See 20 C.F.R. §§411.500(f) and 411.525(a)(2)(i).

payments at \$758 a month (\$27,288 in total payments) for SSDI ticket holders and up to 60 payments at \$436 a month (\$26,160 in total payments) for SSI ticket holders (see **Figure 2**).

## **State VR Agencies and ENs Serving the Same Ticket Holder (Partnership Plus)**

Under prior rules, a state VR agency could elect to be paid under traditional cost-reimbursement rules, but a ticket holder would have to assign their ticket exclusively to the VR agency. In this instance, VR agencies could not elect to be paid under either EN payment system. The July 2008 regulatory changes established the Partnership Plus program, which encouraged partnerships between state VR agencies and ENs and enables a ticket holder to use the services of both entities.<sup>46</sup>

Under Partnership Plus, SSA will compensate both state VR agencies and ENs sequentially for achieving successful employment outcomes for the same ticket holder. Following service delivery to a ticket holder and the closing of a case, a state VR agency can be reimbursed by SSA under the traditional cost-reimbursement system. Through a referral agreement, an EN can then provide additional ongoing job retention and other employment supports that may be needed by the ticket holder. The EN would then be eligible to receive Phase 2 Milestone-Outcome or Outcome-only payments based on ticket holder earnings (see **Table A-1**).

## **Ticket Ending Period**

Under SSA regulations, a ticket period ends when (1) entitlement to SSDI benefits ends or eligibility for SSI disability benefits terminates for reasons other than work activity or earnings, (2) after a state VR agency or EN has exhausted outcome payments based on that ticket, (3) the beneficiary is no longer making timely progress toward self-supporting employment according to SSA guidelines, or (4) the beneficiary withdraws from an EN and fails to re-assign his or her ticket, within a three-month period.

Ticket holders are considered to be making timely progress toward self-supporting employment when they show an increasing ability to work at levels that will reduce dependence on benefits or by making progress toward the completion of a degree program.<sup>47</sup> During the period in which a ticket is active, SSA is prohibited from conducting CDRs; however, regulations set forth guidelines for SSA to perform timely progress reviews (TPRs) to assess whether individuals are making progress toward self-supporting employment or degree completion.

Beneficiaries are allowed up to a 12-month period to prepare for employment or school after the ticket has been issued and must be actively participating in their employment or educational plans during this period. After 12 months, beneficiaries need to show that they are progressing toward self-sufficiency by demonstrating increasing levels of earnings or college credit completion, in order to continue using the ticket. The regulations indicate measures to assess beneficiaries' progress through SSA's performance of TPRs at

- 12 months in which the ticket holder is required to have worked 3 months above the TWP level or completed 60% of full-time college credits,
- 24 months in which the ticket holder is required to have worked 6 months above the TWP level or completed 75% of full-time college credits,

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<sup>46</sup> 20 C.F.R. §411. For more information, see <https://yourtickettowork.com/web/ttw/basics2>.

<sup>47</sup> 20 C.F.R. §411.180.

- 36 months in which the ticket holder is required to have worked 9 months at the SGA level or completed a 2-year program or an additional 1 year of full-time college credit,
- 48 months in which the ticket holder is required to have worked 9 months at the SGA level or completed an additional 1 year of full-time college credit,
- 60 months in which the ticket holder is required to have earnings for 6 months that are sufficient for a zero cash benefit or completed an additional 1 year of full-time college credit,
- 72 months in which the ticket holder is required to have earnings for 6 months that are sufficient for a zero cash benefit or completed a 4-year degree program, and
- successive 12-month periods in which the ticket holder is required to have earnings for 6 months that are sufficient for a zero cash benefit status.

Once a ticket has been assigned, ticket holders also have the option of placing their ticket in an inactive status during the initial 24-month period if they believe they will be unable to participate in the program for a prolonged period of time. This inactive period would not count against their time limitations for making progress, however, the individual would not be protected against CDRs during this period. Prior SSA rules for timely progress required ticket holders to meet similar monthly earnings thresholds at the higher SGA level (see **Table A-1**).

## Other Provisions of Ticket to Work Legislation

P.L. 106-170 contained several other provisions to enhance the work opportunities for individuals with disabilities. It lessened work disincentives under the Social Security statute, established SSA demonstrations, and created an advisory panel.<sup>48</sup> The legislation also established two grant programs for the purpose of disseminating accurate information to beneficiaries with disabilities on work incentive programs.

### Expedited Reinstatement

Section 112 of P.L. 106-170 extended the time period that a SSDI, SSI, or concurrent beneficiary who returned to work may request reinstatement of benefits.<sup>49</sup> If a beneficiary loses eligibility for SSDI or SSI benefits and payments due to earnings from work and his or her income falls below SGA within five years, SSA may be able to restart benefits without requiring the individual to file a completely new application. Although SSA requires individuals under this provision to apply for benefit continuation, they may receive up to six months of provisional benefits while their application is being reviewed.

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<sup>48</sup> Section 101(f) of P.L. 106-170 established the Ticket to Work and Work Incentives Advisory Panel within SSA, which responsible for advising the President, Congress, and SSA on issues related to work incentives programs, planning, and assistance for individuals with disabilities. The Ticket to Work and Work Incentives Advisory Panel held its first public meeting on July 24, 2000. The advisory panel met quarterly and these meetings were open to the public. P.L. 106-170 contained a sunset provision that terminated the panel 30 days after the issuance of a final, detailed report with legislative and administrative recommendations to the President and Congress. The advisory panel issued its final report in December 2007.

<sup>49</sup> 42 U.S.C. §423.

## **Work Incentives Planning and Assistance**

P.L. 106-170 also authorized SSA to award one or more cooperative agreements with qualified organizations to provide benefit planning, assistance, and outreach. These Work Incentives Planning and Assistance (WIPA) programs are community-based organizations that receive grants from SSA to provide services to Social Security disability beneficiaries with free access to long-term employment planning support. At its height, the WIPA program included 102 projects nationwide.<sup>50</sup> Each WIPA project has counselors called Community Work Incentives Coordinators who

- refer beneficiaries to ENs or VR agencies,
- conduct outreach efforts to those beneficiaries (and their families) who are potentially eligible to participate in federal or state employment support programs, and
- work in cooperation with federal, state, and private agencies and nonprofit organizations that serve beneficiaries with disabilities.

The Benefits Planning Assistance and Outreach (BPAO) program, the predecessor to WIPA, had a much narrower focus in assisting beneficiaries to make informed choices about work options. Authorization for WIPA expired at the end of FY2011 and funding for the program lapsed on June 30, 2012; however, the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), appropriated money for WIPA in FY2013.<sup>51</sup> The disbursement period for FY2013 WIPA funds is August 1, 2013, through July 31, 2014.<sup>52</sup>

## **Protection and Advocacy for Beneficiaries of Social Security**

P.L. 106-170 also authorized SSA to award grants to state protection and advocacy systems authorized by the Developmental Disabilities Assistance and Bill of Rights Act under the program. Awarded under the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program, these grants are in addition to the current Developmental Disability program grants.<sup>53</sup> The purpose of the grants is to provide information and advice about how to obtain vocational rehabilitation, employment, advocacy, or other services that SSDI or SSI beneficiaries may need to secure or regain gainful employment.

Ticket to Work legislation stipulates that states receive funds at a level that is at least the greater of \$100,000 or one-third of 1% of the amount appropriated and that grants to certain territories must be at least \$50,000. The minimum payments may be increased to reflect an inflation adjustment in certain circumstances. Each protection and advocacy system that receives a grant has to submit an annual report to SSA and the Ticket to Work and Work Incentives Advisory Panel on the services provided to individuals. SSA awards grants to protection and advocacy systems in each of the 50 states and the District of Columbia, as well as Puerto Rico, Guam,

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<sup>50</sup> For additional information on the WIPA program, see <http://www.ssa.gov/work/WIPA.html>.

<sup>51</sup> For additional information on the current status of WIPA, congressional clients may contact the author concerning the following: Congressional Distribution Memorandum from Umar Moulta-Ali and Edward Liu, CRS, *Social Security Administration (SSA): Reauthorization for the Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS) Programs, Fiscal Year 2012 and Beyond* (November 5, 2012).

<sup>52</sup> For more information, see Social Security Administration, *WIPA: Frequently Asked Questions*, 2013, p. 1, <http://www.ssa.gov/oag/grants/FAQ%20for%20WIPA.pdf>.

<sup>53</sup> For information on Developmental Disability Act programs administered by the Department of Health and Human Services, see CRS Report RL34507, *The Developmental Disabilities Act*, by Umar Moulta-Ali.

American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the protection and advocacy system for Native Americans.<sup>54</sup> Like WIPA, authorization for PABSS expired at the end of FY2011 and funding for the program lapsed on September 30, 2012; however, the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) appropriated money for PABSS in FY2013.<sup>55</sup>

## **SSA Demonstration Projects**

SSA conducts numerous research projects to better understand how to deliver effective services to Social Security beneficiaries. The results of these projects can potentially lead to legislation or rules changes to allow for better coordination between SSA and the states or identify ways to serve beneficiaries more efficiently. Title III of P.L. 106-170 reinstated the Commissioner of SSA's authority to waive provisions of Title II of the Social Security Act for the purpose of conducting demonstrations relating to alternative methods of treating the work activity of individuals entitled to disability insurance benefits. SSA's authority to initiate new SSDI projects expired on December 18, 2005.<sup>56</sup>

## **Benefit Offset National Demonstration**

P.L. 106-170 required SSA to conduct demonstration projects under which disability benefits payable under SSDI are reduced gradually; \$1 for every \$2 of the beneficiary's earnings above SGA.<sup>57</sup> This Benefit Offset Pilot Demonstration (BOPD) was initiated in August 2005 in four states to adequately evaluate the appropriateness of a national implementation of such a program.<sup>58</sup> Under current law, individuals receiving disability benefits under SSDI who return to work have their benefits eliminated entirely after working above the SGA level, following a nine-month TWP and three-month grace period. The BOPD was expected to reduce barriers to work and allow beneficiaries to attain employment, increase earnings, and eventually become financially self-sufficient. Participants also maintain eligibility for health care benefits and other SSDI employment supports. The results of the four-state demonstration project helped to inform the development and implementation of the Benefit Offset National Demonstration (BOND) project at 10 sites across the country.<sup>59</sup> The start-up tasks for the BOND project were completed in 2010 and a three-month pilot commenced in January 2011. Full project implementation began in late April 2011 and enrollment ended in September 2012. A final synthesis report on the BOND is expected in 2017.

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<sup>54</sup> For additional information on the PABSS program, see <http://www.ssa.gov/work/protectionadvocacy.html>.

<sup>55</sup> For additional information on the current status of PABSS, congressional clients may contact the author concerning the following: Congressional Distribution Memorandum from Umar Moulta-Ali and Edward Liu, CRS, *Social Security Administration (SSA): Reauthorization for the Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS) Programs, Fiscal Year 2012 and Beyond* (November 5, 2012).

<sup>56</sup> 42 U.S.C. §434.

<sup>57</sup> This demonstration was intended to create a similar benefit reduction methodology as is used under the SSI program (Title XVI).

<sup>58</sup> The four-state demonstration project was conducted in Connecticut, Utah, Vermont, and Wisconsin.

<sup>59</sup> For additional information on the BOND project, see <http://www.socialsecurity.gov/disabilityresearch/factsheets/offsetnational.htm>.

## Analysis of the Ticket to Work Program

According to publicly available data on the SSA website, 13.6 million active tickets have been issued to eligible beneficiaries as of December 31, 2013 (see **Table 1**).<sup>60</sup> At the inception of the program, tickets were issued to beneficiaries as the Ticket to Work program rolled out in phases. Since the initial roll out, a letter and paper ticket explaining the program are automatically mailed to eligible beneficiaries. Of the 13.6 million tickets issued, 319,972 (approximately 2.4%) have been activated (i.e., the ticket has been assigned to an EN or state VR agency). Of all tickets that are in use, nearly 9 out of 10 have been assigned to state VR agencies rather than ENs.

Assignment of tickets does not necessarily mean that the client is actively receiving services from an EN or state VR agency, only that the beneficiary has notified the PM that an agency or EN has been designated to provide services to them.

In addition, there are currently 666 ENs under contract to provide employment support services to ticket recipients as of December 31, 2013. Of the ENs under contract, 594 (89.2%) have had tickets assigned to them and 181 (27.2%) have received some type of payment from SSA for achieving a designated payment milestone for months that a ticket-holder was working while assigned to the EN. As of December 31, 2013, approximately \$138.1 million in total payments have been made to ENs.

Since the inception of the Ticket to Work program, a number of studies and evaluations have been conducted through the Advisory Panel, GAO, and the academic community. Based on a review of these various reports, the following sections provide a discussion of the key issues facing the Ticket program and matters that may be of concern to Congress.

**Table 1. Data on the Ticket to Work Program**

Category	Total as of December 31, 2013 <sup>a</sup>
<b>Tickets (Point in Time Data)</b>	
Active tickets (tickets issued to beneficiaries who are currently ticket eligible)	13.6 million
Number of tickets assigned or “in use”	319,972 (2.4% of tickets issued)
Number of tickets in use with a state VR agency under Cost Reimbursement system	251,402
Number of tickets assigned to state VR agencies	24,914
Number of tickets assigned to ENs	43,589
<b>Employment Networks (ENs) (Point in Time Data)</b>	
Number of ENs under contract with SSA	666
Number of ENs with assigned tickets	594 (89.2% of ENs under contract)
Number of ENs that have received payment for employed ticket holders	181 (27.2% of ENs under contract)
<b>Payments (Cumulative)</b>	
Value of EN payments	\$138.1 million
<b>Beneficiaries (Cumulative)</b>	
Number of beneficiaries placed or supported on a job by an EN	26,468

<sup>60</sup> Social Security Administration, *Ticket to Work December Monthly Status Report*, January 2014, <http://www.ssa.gov/work/documents/monthlystatusreportdecember2013.pdf>.

Category	Total as of December 31, 2013 <sup>a</sup>
Number of beneficiaries with EN support for which benefits were not paid due to work and earnings	8,914
Number of benefit-months not paid to beneficiaries due to work and earnings	163,527
Number of benefit-years not paid to beneficiaries due to work and earnings	13,627
SSA's estimated benefits savings from Ticket to Work Program	\$163.0 million

**Source:** CRS table adapted (with modifications) from the SSA's December Monthly Status Report available at <http://www.ssa.gov/work/documents/monthlystatusreportdecember2013.pdf>.

- a. Subcategories under the "Tickets" category were calculated independently and at slightly different points in time. Information on reporting procedures based on personal communication with a SSA official, January 31, 2013.

## Low Participation Among Social Security Beneficiaries

The Ticket to Work program has come under increased scrutiny and criticism by policy makers for low participation rates among eligible SSDI and SSI recipients. As shown in **Table 2**, only 4.1% of all beneficiaries receiving SSDI or SSI participated in the Ticket to Work program in 2010. Ticket to Work is a voluntary program, so there is no obligation upon the ticket holder to activate the ticket. Researchers and disability advocates have identified several possible contributing factors to the low participation rates.

**Table 2. The Percentage of Disability Beneficiaries Participating in Ticket to Work, Calendar Years 2002-2010**

	Calendar Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Participants</b>									
SSDI-Only	0.2%	0.5%	1.0%	1.4%	1.8%	2.2%	2.6%	3.1%	3.6%
SSI-Only	0.2%	0.5%	1.0%	1.5%	1.9%	2.3%	2.8%	3.3%	4.0%
Concurrent	0.3%	0.9%	1.9%	2.6%	3.3%	4.1%	4.9%	5.7%	6.4%
<b>Total</b>	<b>0.2%</b>	<b>0.5%</b>	<b>1.1%</b>	<b>1.6%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.5%</b>	<b>4.1%</b>

**Source:** Table prepared by CRS from Table III.I in Jody Schimmel et al., *Participant and Provider Outcomes Since the Inception of Ticket to Work and the Effects of the 2008 Regulatory Changes*, Mathematica Policy Research: Center for Studying Disability Policy, Final Report, July 25, 2013, p. 22, [http://www.mathematica-mpr.com/publications/pdfs/disability/TTW\\_Part\\_Provid\\_Outcomes.pdf](http://www.mathematica-mpr.com/publications/pdfs/disability/TTW_Part_Provid_Outcomes.pdf).

**Notes:** "Participants" include all beneficiaries (aged 18 to 64) who assigned their most recent ticket in the calendar year and had not yet unassigned it.

## Confusion on How Work Affects Benefits

First, beneficiaries that have just begun receiving cash payments from SSA may be reluctant to participate in the Ticket to Work program for fear of losing benefits.<sup>61</sup> Past research has also

<sup>61</sup> Brigida Hernandez, Mary Joyce Cometa, and Jessica Velcoff et al., "Perspectives of people with disabilities on employment, vocational rehabilitation, and the Ticket to Work program," *Journal of Vocational Rehabilitation*, vol. 27,

shown that few beneficiaries were aware of SSA's work incentives programs and, among those who were aware, many were not persuaded to return to work because of them.<sup>62</sup>

To address some of the barriers to employment that many beneficiaries face, Ticket to Work legislation specifically authorized the WIPA program to counsel beneficiaries on how work will affect their benefits. A recent evaluation revealed, among other findings, that although WIPA organizations provide support to beneficiaries who are enrolled in their services, many other Social Security disability beneficiaries do not receive the ongoing assistance that the program was intended to provide.<sup>63</sup>

## **Employment Network Screening of Beneficiaries**

Second, ENs are only compensated by SSA when a ticket holder has an employment outcome either at the TWP or SGA levels depending on the type of payment system or—for the Milestone-Outcome system—the phase that a ticket holder has progressed through. Further, ENs are given autonomy to determine who they will accept as a client and many implement a screening process that identifies the likelihood that a ticket holder will return to work. Therefore, there is a disincentive for ENs to accept ticket holders who, in their view, may be unemployable without the use of costly services. Some ENs face significant up-front costs associated with providing employment services to ticket holders before receiving payments from SSA. ENs may focus on those individuals that require the least amount of assistance, while individuals with the most severe disabilities may be denied services by ENs.<sup>64</sup>

## **Return-to-Work Rates Among Beneficiaries and Ticket Holders**

SSA annually reports the percentage of beneficiaries whose benefits were terminated in the current year due to work.<sup>65</sup> However, returning to work for an individual with a disability can be a complex process that may not be captured in annual statistics.

## **SSA Measurement of Return-to-Work Rates**

Researchers who have explored return-to-work rates among Social Security disability beneficiaries observe that return-to-work rates—while low by many standards—are higher when

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no. 3 (2007).

<sup>62</sup> John C. Hennessey and L. Scott Muller, "The Effect of Vocational Rehabilitation and Work Incentives on Helping the Disabled-Worker Beneficiary Back to Work," *Social Security Bulletin*, vol. 58, no. 1 (Spring 1995), pp. 15-28. Hennessey and Muller's study focused on SSDI beneficiaries and was conducted prior to the implementation of SSA's work incentives programs.

<sup>63</sup> Jody Schimmel, Bonnie O'Day, and Allison Roche et al., *Evaluation of the Work Incentives Planning and Assistance (WIPA) Program: Beneficiaries Served, Services Provided and Program Costs*, Mathematica Policy Research, Inc., Final Report, Washington, DC, September 16, 2010, [http://www.mathematica-mpr.com/publications/PDFs/disability/WIPA\\_fnl rpt.pdf](http://www.mathematica-mpr.com/publications/PDFs/disability/WIPA_fnl rpt.pdf).

<sup>64</sup> See David Stapleton, Gina Livermore, and Jesse Gregory, "Beneficiary Participation in Ticket to Work," *Journal of Vocational Rehabilitation*, vol. 27 (2007). The authors found that though 2004 (during the Ticket program's infancy) the majority of tickets were being assigned to state VR agencies, yet ticket holders assigned to ENs were more likely to have earnings sufficient enough to exit the disability rolls. They conclude that this phenomenon may be reflective of either (1) ENs only serving those with a higher likelihood of working or (2) ENs' stronger focus on having their clients achieve higher earnings.

<sup>65</sup> For more information, see Social Security Administration, *Annual Statistical Report on the Social Security Disability Insurance Program, 2012*, November 2013, Table 57, [http://www.ssa.gov/policy/docs/statcomps/di\\_asr/2012/di\\_asr12.pdf](http://www.ssa.gov/policy/docs/statcomps/di_asr/2012/di_asr12.pdf).

examining an individual's progress toward gainful employment over several years (or longitudinally), as opposed to the monthly or annual statistics that SSA generally reports, also known as a cross-sectional statistic.<sup>66</sup>

For example, in any given year approximately one-half of 1% of SSDI beneficiaries leave the disability rolls (or have their benefits terminated) because of work. Yet, this statistic includes a large and entrenched group of beneficiaries who are added to, and remain on the disability rolls from year to year with no prospects of employment. However, a longitudinal study of benefit termination that followed a cohort of SSDI beneficiaries for 10 years from the time that they first entered the disability rolls found that 3.7% (or more than 7 times the published SSA statistic) of beneficiaries left the disability rolls within that time period.<sup>67</sup> In addition, Ticket to Work participants were more than two-and-a-half times more likely to leave the disability rolls for the first time than non-participants.<sup>68</sup>

### **Ticket Participation and Return-to-Work Rates Vary by Demographic Group**

Some research has shown that return-to-work rates vary significantly depending on the age or impairment of the ticket holder.<sup>69</sup> Younger beneficiaries that may have many more working years ahead of them and individuals with more recent work experience are more likely to return to work.<sup>70</sup> Conversely, individuals that are older and closer to retirement age or have experienced a long-term separation from the workforce are the least likely to return to work.

In addition, individuals with sensory impairments including the deaf and blind are more likely to attain gainful employment than individuals with more severe physical or neurological impairments. Indeed, some research has found that individuals who are blind or have low vision were more likely to assign their tickets than individuals with other disabilities.<sup>71</sup>

### **Most Tickets Are Assigned to State VR Agencies**

One of the major purposes of Ticket to Work legislation was to expand the number of providers of public and private employment services to provide choices for whom a ticket holder could seek

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<sup>66</sup> See Su Liu and David Stapleton, *How Many SSDI Beneficiaries Leave the Rolls for Work? More Than You Might Think*, Mathematica Policy Research, Inc., April 2010, Number 10-01.

<sup>67</sup> Ibid. While Liu and Stapleton's study focused solely on the 1996 cohort of participating and nonparticipating SSDI beneficiaries, a longitudinal strategy could have implications for more accurately measuring ticket holders' progress toward self-supporting employment.

<sup>68</sup> Jody Schimmel, "Ticket to Work Participants and Other Beneficiaries Leaving the Disability Rolls Because of Work," Presented at the Center for Studying Disability Policy Research Forum, Washington, DC, May 19, 2010. Schimmel found that in 2006, 2.4% of Ticket participants left the rolls for the first time compared with 0.9% of nonparticipants and were more likely to remain off the rolls longer. SSDI ticket holders were also more likely to leave the rolls as compared to SSI ticket holders.

<sup>69</sup> Jody Schimmel, Bonnie O'Day, and Allison Roche et al., *Evaluation of the Work Incentives Planning and Assistance (WIPA) Program: Beneficiaries Served, Services Provided and Program Costs*, Mathematica Policy Research, Inc., Washington, DC, September 16, 2010.

<sup>70</sup> For example, Liu and Stapleton's longitudinal study of the 1996 SSDI cohort (see footnote 66) found that almost 10% of beneficiaries under 40 years old had benefits terminated within 10 years.

<sup>71</sup> See Michele Capella-McDonnell, "Effectiveness of the Ticket to Work Program for Beneficiaries Who Are Blind or Have Low Vision: Comparison with Other Beneficiaries," *Journal of Visual Impairment & Blindness*, vol. 101, no. 5 (May 2007). The author shows that SSI beneficiaries who are blind or have low vision were approximately twice as likely to assign their tickets than individuals with other disabilities. However, most tickets among these individuals were assigned to state VR agencies as opposed to ENs, presumably because the blind are less likely to be employed at earnings levels that are high enough to stop cash benefits, which is a disincentive for an EN to accept them as clients.

support. However, nearly 9 out of 10 tickets that are in use are assigned to state VR agencies. In addition, GAO found that 20 ENs in 2010 (or less than 2% of all ENs) received the majority of payments for assisting clients in achieving work goals.<sup>72</sup> Ticket holders' preference for assigning their tickets to the state VR agencies may reduce the incentive for new ENs to enter the market to compete for clientele.

Prior to implementation of the Ticket to Work program, state VR agencies managed all employment support services for SSDI and SSI beneficiaries. Following Ticket to Work legislation, ticket holders could choose to either seek services from ENs or state VR agencies, yet the vast majority of tickets were continually assigned to the state VR agencies. The July 2008 regulatory changes introduced Partnership Plus, allowing ticket holders to seek assistance from state VR agencies (which tend to be more adept at providing intensive vocational rehabilitation services), and subsequently assign their tickets to ENs for additional employment services. Growth in the number of ENs and the number of ticket holders assigning tickets to ENs has been observed, but ticket holders continue to have a clear preference for working with state VR agencies.<sup>73</sup>

## **GAO Assessment of the Ticket to Work Program**

In May 2011, GAO completed their latest audit of the Ticket to Work program. Although the Ticket program has experienced growth among active ticket holders and ENs since inception, GAO identified several deficiencies that could also be contributing factors to the underperformance of the Ticket program. GAO specifically cited a need for increased managerial oversight of ENs and a lack of TPRs performed by SSA on ticket holders.

### **Lack of Employment Network Oversight**

GAO found that between FY2007 and July 2010, the number of ENs providing employment support services to ticket holders and SSA payments to ENs increased dramatically, likely a result of the July 2008 regulatory changes that offered additional financial incentives to ENs to participate in the Ticket program.<sup>74</sup> However, as mentioned earlier in this report, SSA payments were concentrated among a small minority of ENs.

In addition, GAO cited issues related to "shared payments" between ENs and their working Ticket to Work clients.<sup>75</sup> Although EN payments to ticket beneficiaries had been deemed acceptable by SSA as a way for ENs to supplement the earnings of their ticket clients for various work-related purposes, this process was formalized by SSA in a new July 2008 regulatory provision.<sup>76</sup> GAO found that certain ENs were marketing these shared payments to potential ticket clients as "work-support" payments that they would pass-on to the clients through an agreement. Additionally, these ENs would specifically target ticket holders that were either already working or ready to work, eliminating the need for the EN to provide any significant

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<sup>72</sup> U.S. Government Accountability Office, *Ticket to Work Participation Has Increased, but Additional Oversight Needed*, GAO-11-324, May 6, 2011, <http://www.gao.gov/new.items/d11324.pdf> (hereinafter, GAO-11-324).

<sup>73</sup> Ibid. According to a GAO analysis of Ticket to Work data, EN participation had increased from 1,514 to 1,603 in the period following the July 2008 regulatory changes.

<sup>74</sup> See GAO-11-324. According to GAO analysis of Ticket to Work data, the number of ENs increased from 1,514 to 1,603, while SSA payments to ENs increased from \$3.8 million to \$13 million during the same time period.

<sup>75</sup> See GAO-11-324. ENs receive payments from SSA for ticket holders that have sufficient earnings. GAO found an increasing number of ENs targeting ticket holders who were already working or able to find jobs without assistance and using the shared payment approach.

<sup>76</sup> See 20 C.F.R. §411.566.

employment services. According to a disability rights advocate interviewed by GAO, these ENs essentially served as “middlemen” for SSA payments to ticket holders, dividing the payments between themselves and their clients.

GAO also found deficiencies in (1) PMs’ ability to maintain up-to-date listings of ENs that were still in business, (2) SSA accounting of services provided by each EN, and (3) an EN application process that did not sufficiently vet unqualified ENs from being included in the network.

### **SSA Temporarily Suspended Timely Progress Reviews**

SSA performs timely progress reviews (TPRs) to ensure that ticket-holders are making progress toward attaining gainful employment that would eventually lead to reduced reliance or cessation of disability benefits. However, at the behest of ENs, SSA temporarily suspended TPRs in 2009. During this time period, ticket holders were not subject to any oversight of their progress toward self-supporting employment as SSA is prohibited from performing CDRs (as per Ticket regulations).

GAO found evidence that this exemption was abused by some ticket holders that would activate their tickets with an EN or state VR agency, but would not follow-through with seeking employment support from the assigned organization or agency. Without the prospect of being subject to a TPR, this strategy would protect ticket holders from any oversight, allowing beneficiaries to continue receiving payments from SSA with little accountability. A TPR could have served to identify these individuals, but SSA’s suspension of TPRs allowed this to go unnoticed. Although SSA has since reinstated TPRs, GAO asserts that the resulting backlog will be too overwhelming for SSA to effectively handle.

### **Impact of July 2008 Regulatory Changes**

As noted earlier, SSA rolled out the Ticket to Work program in three phases from February 2002 to September 2004. Between August 2004 and January 2005, GAO conducted an audit of the Ticket to Work program. In its March 2005 report, GAO noted less than 1% of the 9.5 million beneficiaries who received a ticket assigned their ticket to an EN or state VR agency.<sup>77</sup> In addition, GAO found that just 386 of the 1,164-contracted ENs were accepting tickets.<sup>78</sup> Although the number of contracted ENs accepting tickets increased to 752 out of 1,514 in FY2007, beneficiaries continued to assign their tickets primarily to state VR agencies.<sup>79</sup>

In a bid to attract more providers to the Ticket to Work program, SSA made substantial changes to the EN payment system in July 2008. Specifically, SSA

- increased the number of Milestone-Outcome payments,
- lowered the ticket holder earnings threshold required to trigger a payment,
- permitted ENs to serve a ticket holder who received services from a state VR agency (Partnership Plus),
- shortened the earnings period required to trigger a Milestone-Outcome payment,

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<sup>77</sup> U.S. Government Accountability Office, *Social Security Administration: Better Planning Could Make the Ticket Program More Effective*, GAO-05-248, March 2, 2005, p. 3, <http://gao.gov/assets/250/245517.pdf>.

<sup>78</sup> Ibid.

<sup>79</sup> GAO-11-324, pp. 11-13. In FY2007, only one-fifth of 1% of the beneficiaries who received a ticket assigned their ticket to an EN.

- increased the maximum payable Milestone-Outcome amount, and
- increased the payment amounts for SSI-only ticket holders (see **Table A-1**).<sup>80</sup>

SSA believed that by increasing the financial incentives for ENs to participate in the Ticket to Work program, the agency could “significantly enhance beneficiary choice and improve the likelihood that beneficiaries would receive the most effective support.”<sup>81</sup>

### EN Participation

Following the July 2008 regulatory changes, the number of ENs with at least one assigned ticket during the calendar year nearly doubled, from 818 in 2007 to 1,600 in 2011 (**Table 3**). Note that the metric “number of ENs with at least one assigned ticket during the calendar year” is different from the point in time metric “number of ENs with assigned tickets” in **Table 1**. The percentage of ENs receiving at least one payment also increased, from 23.0% in 2008 to 34.6% in 2011.

Furthermore, the share of ENs that reported accepting ticket assignments increased from 51% in July 2008 to 60% in December 2011.<sup>82</sup>

**Table 3. Distribution of EN Payments, Calendar Years 2002-2011**

	Calendar Years									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of ENs with at Least One Assigned Ticket During the Calendar Year	175	375	591	714	776	818	1,003	1,275	1,500	1,600
<b>Percentage Distribution of Total ENs by Number of Payments Received</b>										
0 Payments	89.1%	76.0%	68.5%	65.8%	72.7%	77.0%	77.4%	68.5%	60.7%	65.4%
1-10 Payments	10.9%	17.3%	23.2%	18.6%	12.6%	9.4%	10.7%	18.4%	19.3%	16.3%
11-50 Payments	-	5.3%	6.4%	12.7%	11.6%	10.3%	7.9%	9.4%	14.8%	13.6%
51-100 Payments	-	1.1%	1.2%	1.3%	1.4%	1.6%	2.2%	1.8%	3.1%	2.3%
101-250 Payments	-	0.3%	0.3%	1.1%	1.2%	0.9%	0.9%	0.9%	1.1%	1.3%
251-500 Payments	-	-	0.3%	0.1%	0.4%	0.6%	0.5%	0.3%	0.6%	0.6%
501-1,000 Payments	-	-	-	0.1%	-	0.1%	0.4%	0.5%	0.3%	0.4%

**Source:** Table prepared by CRS from Table II.2 in Jody Schimmel et al., *Participant and Provider Outcomes Since the Inception of Ticket to Work and the Effects of the 2008 Regulatory Changes*, Mathematica Policy Research, Inc.:

<sup>80</sup> See GAO-11-324, p. 8 and Jody Schimmel et al., *Participant and Provider Outcomes Since the Inception of Ticket to Work and the Effects of the 2008 Regulatory Changes*, Mathematica Policy Research, Inc.: Center for Studying Disability Policy, Final Report, July 25, 2013, pp. 8-9, [http://www.mathematica-mpr.com/publications/pdfs/disability/TTW\\_Part\\_Provid\\_Outcomes.pdf](http://www.mathematica-mpr.com/publications/pdfs/disability/TTW_Part_Provid_Outcomes.pdf) (hereinafter, Schimmel et al. 2013).

<sup>81</sup> Social Security Administration, “Amendments to the Ticket To Work and Self-Sufficiency Program,” 73 *Federal Register* 98, May 20, 2008, <http://www.gpo.gov/fdsys/pkg/FR-2008-05-20/pdf/E8-10879.pdf>.

<sup>82</sup> Schimmel et al. 2013, p. 13. Figure not shown in **Table 3**.

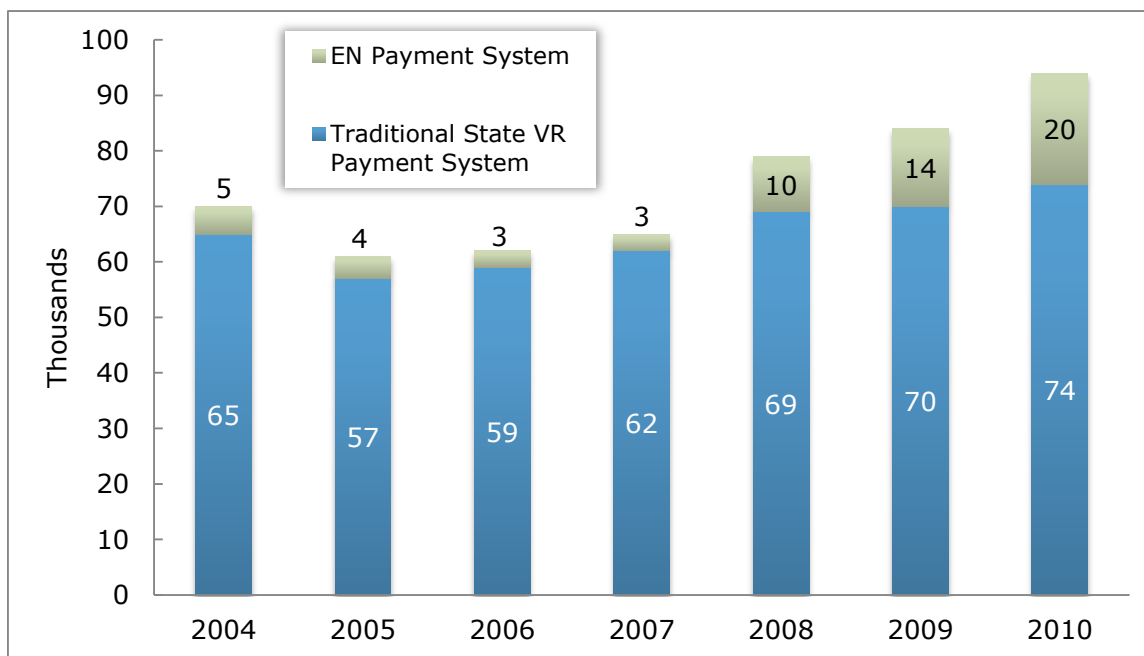
Center for Studying Disability Policy, Final Report, July 25, 2013, p. 14, [http://www.mathematica-mpr.com/publications/pdfs/disability/TTW\\_Part\\_Provid\\_Outcomes.pdf](http://www.mathematica-mpr.com/publications/pdfs/disability/TTW_Part_Provid_Outcomes.pdf).

**Notes:** Subtotals may not equal 100% due to rounding.

The July 2008 regulatory changes also contributed to an increase in the number of new tickets assigned under the EN payment system. As shown in **Figure 3**, the number of new tickets assigned under the traditional state VR cost-reimbursement system increased only 19.4% between 2007 and 2010 (from 62,000 to 74,000), whereas the number of new tickets assigned under the EN payment system increased 566.7% during the same period (from 3,000 to 20,000).

**Figure 3. New Tickets Assigned, Calendar Years 2004-2010**

(in thousands)



**Source:** Graph prepared by CRS based on presentation materials from Jody Schimmel, "The 2008 TTW Regulatory Changes: Effects on Participation and Participant Work Activity," Mathematica Seminar, Washington, DC, December 12, 2013, p. 28, <http://www.disabilitypolicyresearch.org/Forums/20131212/combined.pdf>.

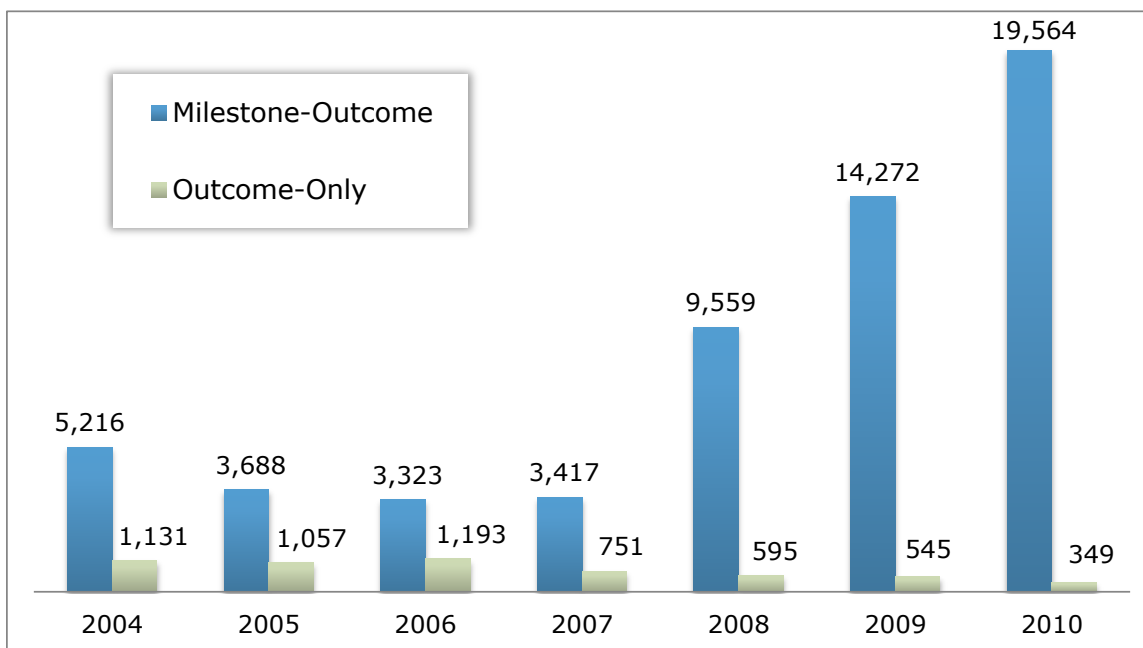
**Notes:** New tickets assigned under the EN payment system include tickets assigned to state VR agencies as well as tickets assigned to ENs. The traditional state VR payment system is known as "VR cost reimbursement."

Most of the growth in new tickets assigned under the EN payment system is the result of an increase in tickets assigned under the Milestone-Outcome payment system. As **Figure 4** illustrates, the number of new tickets assigned under the Milestone-Outcome payment system increased 472.5% following the 2008 regulatory changes (from 3,417 in 2007 to 19,564 in 2010), whereas the number of new tickets assigned under the Outcome-Only payment system decreased 53.5% (from 751 in 2007 to 349 in 2010). The increased use of the Milestone-Outcome payment system may stem from the 2008 regulatory changes that increased the number and maximum payable amount under the Milestone-Outcome payment system.<sup>83</sup> The reduction in the earnings

<sup>83</sup> See Jody Schimmel, "The 2008 TTW Regulatory Changes: Effects on Participation and Participant Work Activity," Mathematica Seminar, Washington, DC, December 12, 2013, p. 30, <http://www.disabilitypolicyresearch.org/Forums/20131212/combined.pdf>.

period required to trigger a Milestone-Outcome payment may have also played a role in increasing the number of new tickets assigned under the Milestone-Outcome payment system.<sup>84</sup>

**Figure 4. New Tickets Assigned to ENs, Calendar Years 2004-2010**



**Source:** Graph prepared by CRS based on presentation materials from Jody Schimmel, “The 2008 TTV Regulatory Changes: Effects on Participation and Participant Work Activity,” Mathematica Seminar, Washington, DC, December 12, 2013, p. 29, <http://www.disabilitypolicyresearch.org/Forums/20131212/combined.pdf>.

**Notes:** New tickets assigned under the EN payment system include tickets assigned to state VR agencies as well as tickets assigned to ENs.

### *Employment Outcomes*

The impact of the 2008 regulatory changes on employment outcomes remains inconclusive, due in part to the economic recession of 2007-2009. The weak labor market during this period may have made it more difficult for ticket holders to obtain employment. According to a 2013 Ticket to Work evaluation report from Mathematica, “it is not possible to disentangle the impacts of the regulatory changes from the impacts of the recession and other external factors.”<sup>85</sup>

As shown in **Table 4**, post-2008 change participants worked an average of 18.7 fewer hours per month than pre-change participants did. The likelihood of being employed, however, did not significantly differ between pre and post-change participants. Post-change participants with a ticket assigned to an EN were employed an average of 9.2 months longer than pre-change participants under the EN payment system.

<sup>84</sup> Ibid.

<sup>85</sup> Schimmel et al. 2013, p. 69.

**Table 4. Employment Outcomes Before and After the July 2008 Regulatory Changes**

	Employment Outcomes of Ticket to Work Participants					
	Pre 2008 Regulatory Change Participants			Post 2008 Regulatory Changes Participants (Difference)		
	All	EN	State VR Agency	All	EN	State VR Agency
Percentage Employed at Interview	24.0	23.7	24.1	-3.8	0.3	-4.7
Average Total Hours Worked Per Month	98.6	108.1	95.8	-18.7 <sup>a</sup>	-17.5 <sup>a</sup>	-19.1 <sup>a</sup>
Average Job Tenure (months) <sup>b</sup>	18.6	13.8	20.0	1.8	9.2 <sup>a</sup>	-0.4

**Source:** Table prepared by CRS from Table 2 in Crystal Blyler, Denise Hoffman, and Gina Livermore, *Ticket to Work Participants: Then and Now*, Mathematica Policy Research, Inc.: Center for Studying Disability Policy, Number 13-02, May 2013, p. 3, [http://www.mathematica-mpr.com/publications/pdfs/disability/TTW\\_thenandnow\\_IB.pdf](http://www.mathematica-mpr.com/publications/pdfs/disability/TTW_thenandnow_IB.pdf).

**Notes:** The pre-change sample was created using data from the 2005 and 2006 National Beneficiary Survey (NBS). The post-change sample was created using data from the 2010 NBS.

a. Difference is statistically significant at the 0.05 level, two-tailed t-test.

b. Asked only of respondents who were working at interview.

## Issues for Congress

The Ticket to Work program introduced a new dynamic in the way SSA interacts with Social Security disability beneficiaries. Rather than simply making determinations of disability, ensuring that beneficiaries receive benefits, and recertifying eligibility, Ticket to Work further tasks SSA with facilitating a voluntary return-to-work program for the very same individuals who have been deemed unable to work.

Since inception, SSA has faced several challenges in implementing the Ticket to Work program, including creating a way to increase participation rates and expand the number and quality of ENs that serve individuals with disabilities who are seeking to reenter the workforce. SSA has sought to address many of these challenges by implementing changes to various program components based on periodic assessments and recommendations.<sup>86</sup> However, others have asserted that creating a more effective system to address the employment challenges of individuals with

<sup>86</sup> In the past, the Ticket to Work & Work Incentives Advisory Panel identified several challenges related to the administration of the Ticket program that restricted participation among ticket holders and ENs. For example, several rules changes that SSA has implemented appeared as recommendations in one or more reports from the Advisory Panel, including, but not limited to (1) expanding the program to include beneficiaries whose conditions were expected to improve (Ticket to Work and Work Incentives Advisory Panel, *Advice Report to the Commissioner Of Social Security Administration on the Notice of Proposed Rulemaking for the Ticket to Work and Self Sufficiency Program*, Washington, DC, July 26, 2001, pp. 14-17, [http://www.ssa.gov/work/panel/panel\\_documents/pdf\\_versions/final\\_report.pdf](http://www.ssa.gov/work/panel/panel_documents/pdf_versions/final_report.pdf)); (2) allowing state VR agencies and ENs to serve the same beneficiary and receive payment for employment outcomes (Ticket to Work and Work Incentives Advisory Panel, *2005 Annual Report to the President and Congress: Year Six*, Washington, DC, March 2006, [http://www.ssa.gov/work/panel/panel\\_documents/Year6AnnualReport%20final\\_3-31-06.doc](http://www.ssa.gov/work/panel/panel_documents/Year6AnnualReport%20final_3-31-06.doc)); and (3) bringing greater equity between the total potential payments to ENs for SSDI and SSI ticket holders (Ticket to Work and Work Incentives Advisory Panel, *Advice Report to Congress and the Commissioner of the Social Security Administration, The Crisis in EN Participation - A Blueprint for Action*, Washington, DC, February 2004, [http://www.ssa.gov/work/panel/panel\\_documents/pdf\\_versions/CrisisEnParticipation.pdf](http://www.ssa.gov/work/panel/panel_documents/pdf_versions/CrisisEnParticipation.pdf)).

disabilities requires greater integration of existing disability systems,<sup>87</sup> tailoring rehabilitation programs to the needs of each individual, and increasing the return-to-work incentives for people who want to rejoin or remain in the workforce, but would find it difficult without ongoing supports.<sup>88</sup>

## Expand Early Intervention Services for Disabling Conditions

Some research suggests that Social Security disability programs have been slowly reactive, that is, providing benefits after a disability has become long-term and more difficult to rehabilitate.<sup>89</sup> Some evidence supports the notion that supplying an individual with the necessary medical and rehabilitative support as soon as possible after the onset of a disability may help prevent the condition from worsening over time and enable that individual to return to work sooner or avoid leaving the workforce altogether.<sup>90</sup>

Recent attachment to the workforce is a significant factor in a disabled individuals' ability to return to employment following a disabling condition. In other words, the longer disabled individuals are separated from the workforce, the less likely they will be able to return to gainful employment due to factors that may include outdated skills, inadequate accommodations, or a lack of motivation. These challenges are exacerbated by a recent economic downturn that has resulted in higher unemployment rates for both the disabled and nondisabled alike.

<sup>87</sup> U.S. Government Accountability Office, *Federal Disability Programs: More Strategic Coordination Could Help Overcome Challenges to Needed Transformation*, GAO-08-635, May 2008, <http://www.gao.gov/new.items/d08635.pdf>.

<sup>88</sup> U.S. General Accounting Office, *Social Security Disability Insurance: Multiple Factors Affect Beneficiaries' Ability to Return to Work*, HEHS-98-39, January 12, 1998, <http://www.gao.gov/archive/1998/he98039.pdf>.

<sup>89</sup> See Bonnie O'Day and Monroe Berkowitz, "Disability Benefit Programs: Can We Improve the Return-to-Work Record?," in *Handbook of Disability Studies*, ed. Gary L. Albrecht, Katherine D. Seelman, and Michael Bury (Thousand Oaks, CA: Sage Publications, 2001), pp. 633-641; Joann Sim, "Improving Return-to-Work Strategies in the United States Disability Programs, with Analysis of Program Practices in Germany and Sweden," *Social Security Bulletin*, vol. 59, no. 3 (1999); and the testimony of Jane L. Ross, Director of Income Security Issues in the Health, Education and Human Services Division at GAO in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Barriers Preventing Social Security Disability Recipients From Returning to Work*, 105<sup>th</sup> Cong., 1<sup>st</sup> sess., July 23, 1997, Serial no. 105-61 (Washington: GPO, 1999).

O'Day and Berkowitz suggest that "[i]f there are services ... medical, technological or vocational, that can return the person to work, they should be brought to bear before the applicant is thoroughly demoralized and persuaded that the only feasible life is one on benefits" (p. 636). Citing practices in Sweden and Germany, the authors illustrate that rehabilitative services are often provided much earlier in these countries once a worker has been identified as having an impairment.

In her testimony, Ross highlighted "early intervention" as one of three practices that show the most promise in returning individuals with disabilities to work, in addition to providing various types of return-to-work assistance and using cash and health benefits as incentives for beneficiaries to work.

Using a cross-national comparison, Sim illustrates that the laws and policies of disability systems in Germany and Sweden require assessments of full and partially disabling conditions as soon as possible. However, in the U.S. individuals must be *fully* disabled to receive government assistance, yet "[t]he optimum period for early intervention may have already passed by the time an applicant walks into the Social Security office" (p. 47). Sim further notes that the application process for disability benefits under SSA provides no early referral for rehabilitation services and very few referrals even after an individual receives benefits.

More recent studies have also touted the importance of early rehabilitative efforts. For example, see U.S. Government Accountability Office, *Federal Disability Programs: More Strategic Coordination Could Help Overcome Challenges to Needed Transformation*, GAO-08-635, May 2008, p. 15, <http://www.gao.gov/new.items/d08635.pdf>.

<sup>90</sup> See Sophie Mitra and Debra Brucker, "The Early Intervention Project: An Innovative Initiative to Return Disability Insurance Applicants to Work," *Journal of Disability Policy Studies*, vol. 15, no. 3 (Winter 2004).

Yet, for individuals with disabilities to receive the health insurance coverage, rehabilitative services and employment supports available through the Ticket to Work program, they must first go through the often protracted process of applying for benefits and demonstrating to SSA that they are unable to work due to a long-lasting impairment. Additionally, if a claim is denied and an individual files for a reconsideration or appeal, the application process can be further extended by months or years in some cases. The timeline can be even longer for most SSDI claimants who must sustain a five-month wait from disability-onset before they even become eligible to apply for benefits.<sup>91</sup>

Congress may move to consider authorizing SSA to expand non-monetary benefits, including medical and rehabilitative services to SSDI and SSI applicants who have not yet been approved for full benefits.<sup>92</sup> The lengthy application process for benefit payments may be hindering their ability to take full advantage of the services that will enable them to eventually leave the benefit rolls due to work. The cumulative passage of time that occurs from disability-onset, the benefits application period and—for SSDI applicants—the additional five-month wait for eligibility, disengages individuals from work, may increase the severity of any untreated medical conditions, and will likely entrench their reliance on cash payments if and when a claim is eventually approved. An early intervention process that focuses on providing targeted support soon after the onset of a disability for an individual who has recently left the workforce, or is still on the job, may allow that person to continue working or quickly return to work following a brief absence. A successful early intervention effort could allow a claimant to continue working in at least a part-time capacity and receive reduced benefits or preclude the need for SSA to ever provide full disability benefits.

## **Increase Management and Oversight of ENs**

As mentioned earlier, nearly 9 out of 10 ticket holders assign their tickets to state VR agencies as opposed to ENs. This may be a relic of the pre-Ticket to Work era when state VR agencies served all SSDI and SSI beneficiaries. VR agencies are in the advantageous position of being well established in the disability community and being authorized to offer any necessary services to beneficiaries for which the agencies are reimbursed based on appropriated funds. In addition, VR agencies currently have a performance measurement process in place that identifies the outcomes of their services to clients. Ticket to Work legislation also gives VR agencies the added option of “acting as ENs” through electing to be paid under a Ticket to Work payment system.

However, the services offered by ENs vary and according to GAO, Ticket to Work PMs do not keep an accurate, up-to-date listing of which services are offered by which EN. ENs also have the option of selecting which ticket holder they will serve, and are more likely to accept tickets from individuals that are either working or ready to work, as opposed to state VR agencies which are required to prioritize individuals with the most severe disabilities.<sup>93</sup> This has possibly led to service approaches by ENs in which the Ticket to Work revenue sharing provisions have become

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<sup>91</sup> For more information, see CRS Report RS22220, *Social Security Disability Insurance (SSDI): The Five-Month Waiting Period for Benefits*, by William R. Morton.

<sup>92</sup> For an analysis of reform proposals designed to promote accommodative and rehabilitative employment supports, see CRS Report R43054, *Social Security Disability Insurance (SSDI) Reform: An Overview of Proposals to Reduce the Growth in SSDI Rolls*, by William R. Morton.

<sup>93</sup> While the Partnership Plus program was designed to allow state VR agencies and ENs to provide services to the same individual, there is little evidence to suggest that ENs have benefitted from this arrangement.

out of line with the general goals of the Ticket program. In addition, SSA does not currently have a system in place to measure EN performance as required by law.<sup>94</sup>

In line with GAO recommendations for the Ticket to Work program, Congress may consider authorizing SSA to

- develop a system to ensure that ticket holders are provided with accurate information on the services that each EN provides so they can make informed choices when seeking services;
- determine whether EN incentives, especially the Ticket program revenue sharing provisions, are consistent with the goals of the Ticket to Work program; and
- develop performance measures to identify employment outcomes of ticket holders served by ENs.

## **Develop Longitudinal Measures of Return-To-Work**

Consideration may also want to be given for how SSA measures return-to-work rates. The current “snapshot” measurement of beneficiaries whose benefits are terminated due to work is important to identify due to annual appropriations decisions. However, this cross-sectional statistic includes a large group of beneficiaries who are added to and remain on the disability rolls every year, but will never work.<sup>95</sup> Supplementing cross-sectional data with a longitudinal measurement of return-to-work rates of annual SSDI and SSI cohorts could help to provide a more accurate picture of how SSA’s work incentives are enabling individuals with disabilities to return to the workforce.

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<sup>94</sup> 42 U.S.C. §1320b-19(d)(2) and (6).

<sup>95</sup> Paul O’Leary, “Implications of Recent Ticket to Work Evaluation Findings for Disability Policy,” Presented at the Policy Research Forum Center for Studying Disabilities, Washington, DC, March 19, 2010.

# Appendix A. Compilation of Key Ticket to Work July 2008 Regulatory Changes

**Table A-I. Side-by-Side Comparison of Key Ticket to Work July 2008 Regulatory Changes**

Program Component	Code of Federal Regulations (C.F.R.) Citation	Prior Regulation	Current Regulation
<b>Changes Related to Ticket Holders</b>			
Return-to-Work Concept	20 C.F.R. §411.525(a)(2)	Payments are only available once the ticket holder's earnings reach the Substantial Gainful Activity (SGA) level. <sup>a</sup>	Creates a three-phase return-to-work process that addresses the incremental and episodic nature of returning to work for individuals with disabilities. Payment systems and SSA timely progress measures are designed to facilitate a gradual return to self-sufficiency.
Ticket Eligibility	20 C.F.R. §411.125	Only SSI and SSDI beneficiaries aged 18-64 that are <ul style="list-style-type: none"> <li>Medical Improvement Not Expected (MINE) and Medical Improvement Possible (MIP), or</li> <li>Medical Improvement Expected (MIE) after having had at least one Continuing Disability Review (CDR).</li> </ul>	All SSDI and SSI beneficiaries aged 18-64 are eligible.
SSA Performance of Timely Progress Reviews (TPRs) for the purposes of Ticket Holder protection from Continuing Disability Reviews (CDRs)	20 C.F.R. §411.180	TPRs performed at <ul style="list-style-type: none"> <li>24 months and required "active" participation, but no work requirement,</li> <li>36 months and required 3 months of work above SGA level,</li> <li>48 months and required 6 months of work above SGA level,</li> <li>60 months and required 6 months of work above SGA sufficient for a zero cash benefit, and</li> <li>successive 12 month periods and required 6 months of work above SGA sufficient for a zero cash benefit.</li> </ul>	TPRs performed at <sup>b</sup> <ul style="list-style-type: none"> <li>12 months and requiring 3 months of work at TWP level or 60% of full-time college credits,</li> <li>24 months and requiring 6 months of work at TWP level or 75% of full-time college credits,</li> <li>36 months and requiring 9 months of work at SGA level or completion of 2-year program or an additional 1 year of full-time college credit,</li> <li>48 months and requiring 9 months of work at SGA level or an additional 1 year of full-time college credit,</li> <li>60 months and requiring 6 months at zero cash benefit level or an additional 1 year of full-time college credit,</li> <li>72 months and requiring 6 months at zero cash benefit level or completion of 4-year college program, and</li> </ul>

Program Component	Code of Federal Regulations (C.F.R.) Citation	Prior Regulation	Current Regulation
			<ul style="list-style-type: none"> <li>• successive 12 month periods requiring 6 months at zero cash benefit level.</li> </ul>
<b>Changes Related to EN Payments and Payment Systems</b>			
Outcome-only EN Payment System	20 C.F.R. §411.525(a)(1)(i) 20 C.F.R. §411.550	Monthly payments equal to 40% of the payment calculation base (PCB) for up to 60 months when a ticket holder is not receiving a cash benefit due to work activity above SGA. <sup>c</sup>	<p>Payments equal to 67% of the respective SSDI or SSI PCB for each month a ticket holder's earnings are sufficient for a zero cash benefit status:</p> <ul style="list-style-type: none"> <li>• for up to 36 months for SSDI beneficiaries (\$758 for 2014). Total potential payments equal \$27,288 for 2014, or</li> <li>• for up to 60 months for SSI beneficiaries (\$436 for 2014). Total potential payments equal \$26,160 for 2014.</li> </ul>
Milestone-Outcome EN Payment System	20 C.F.R. §411.500(f)(1)	<p>Up to four milestone payments can be made to an EN for ticket holder earnings from work above SGA in:</p> <ul style="list-style-type: none"> <li>• Milestone 1: One month equals 34% of PCB payment to EN,</li> <li>• Milestone 2: Three months equals 68% of PCB payment to EN,</li> <li>• Milestone 3: Seven months equals 136% of PCB payment to EN, and</li> <li>• Milestone 4: 12 months equals 170% of PCB payment to EN.</li> </ul>	<p>PHASE 1:</p> <p>Up to four Phase 1 milestone payments can be made to ENs equal to 120% of SSDI PCB (\$1,357 for 2014) for ticket holder earnings from work at the Trial Work Period (TWP) level in<sup>d</sup></p> <ul style="list-style-type: none"> <li>• Milestone 1: One month,</li> <li>• Milestone 2: Three of the last six months,</li> <li>• Milestone 3: Six of the last 12 months, and</li> <li>• Milestone 4: Nine of the last 18 months.<sup>e</sup></li> </ul>
	20 C.F.R. §411.525(a)(2)(ii)	(No equivalent to Phase 2 in prior regulations)	<p>PHASE 2:</p> <p>Monthly Phase 2 milestone payments can be made to ENs equal to 36% of the respective SSDI or SSI PCB for each month of ticket holder gross earnings at the SGA level (before deductions for Work Incentives) based on the following:</p> <ul style="list-style-type: none"> <li>• up to 11 payments for SSDI ticket holders (\$407 for 2014), or</li> <li>• up to 18 payments for SSI ticket holders (\$234 for 2014).</li> </ul>

Program Component	Code of Federal Regulations (C.F.R.) Citation	Prior Regulation	Current Regulation
	20 C.F.R. §411.525(a)(2)(iv) 20 C.F.R. §411.545 20 C.F.R. §411.530	Up to 60 outcome payments can be made to ENs equal to 34% of the respective SSDI or SSI PCB for each month of ticket holder gross earnings from work above SGA. Each outcome payment made to an EN is reduced by 1/60 <sup>th</sup> of the total milestone payment.	<p>OUTCOME PHASE:</p> <p>Monthly Outcome Phase payments can be made to ENs equal to 36% of the respective SSDI or SSI PCB for each month of ticket holder earnings sufficient for a zero cash benefit status for</p> <ul style="list-style-type: none"> <li>up to 36 payments for SSDI ticket holders (\$407 for 2014), or</li> <li>up to 60 payments for SSI ticket holders (\$234 for 2014).</li> </ul>
Total Potential Payments to ENs	20 C.F.R. §411.525(b)	<ul style="list-style-type: none"> <li>Total potential payments of <i>Milestone-Outcome</i> approximately 85% of <i>Outcome-only</i>.</li> <li>Total potential payments for SSI ticket holders are approximately 58% of total potential payment for SSDI ticket holders</li> </ul>	<ul style="list-style-type: none"> <li>Total potential payments for <i>Milestone-Outcome</i> approximately 90% of <i>Outcome-only</i>.</li> <li>Total potential payments for SSI ticket holders are approximately 96% of total potential payment for SSDI ticket holders. For SSDI and SSI ticket holders in 2014, total potential payments for: <ul style="list-style-type: none"> <li><i>Milestone-Outcome</i> equal \$23,680 for SSI and \$24,557 for SSDI or concurrent beneficiaries, and</li> <li><i>Outcome-only</i> equal \$26,160 for SSI and \$27,288 for SSDI or concurrent beneficiaries.</li> </ul> </li> </ul>
Effect of Ticket Holder Recent Work and Earnings on EN Milestone Payments	20 C.F.R. §411.535(a)(1)(ii)	No Provision	<p>Some Phase I milestone payments may not be available to an EN if the ticket holder worked above the TWP level during the 18 months prior to Ticket assignment based on the following:</p> <ul style="list-style-type: none"> <li>Milestone 1 payment is not available to an EN if ticket holder earnings were above TWP level in the month prior to Ticket assignment,</li> <li>Milestone 2 payment is not available to an EN if ticket holder earnings in 3 of the last 6 months were above TWP level,</li> <li>Milestone 3 payment is not available to an EN if ticket holder earnings in 6 of the last 12 months were above TWP level, and</li> <li>Milestone 4 payment is not available to an EN if ticket holder earnings in 9 of the last 18 months were above the TWP level.</li> </ul>
EN Overpayments Due to Benefits Eligibility Errors	20 C.F.R. §411.555(c)	ENs had to repay SSA if Ticket payments were made and SSA retroactively determined that the ticket holder was not eligible for disability benefits.	SSA will not seek an adjustment if a retroactive determination or decision about a ticket holder's right to benefits causes an overpayment to the EN.
EN Payments to Beneficiaries	20 C.F.R. §411.566	No Provision	Payments to beneficiaries are allowed. SSA treats EN payments to beneficiaries as unearned income.

Program Component	Code of Federal Regulations (C.F.R.) Citation	Prior Regulation	Current Regulation
<b>Other Changes Related to ENs</b>			
EN Reporting Ticket be taken out of Assignment	20 C.F.R. §411.145(a)	ENs were not required to report to the PM when they wanted a Ticket taken out of assignment.	ENs are required to report to the PM when they want a Ticket taken out of assignment.
EN Qualification for Department of Labor (DOL) Workforce Investment Boards (WIBs) and One-Stop Centers and American Indian Vocational Rehabilitation (VR) Service Projects	20 C.F.R. §411.310	No Provision	WIBs and One-Stop Career Centers and American Indian VR Service Projects are automatically qualified to be ENs, and are only required to submit a streamlined contract to SSA. These entities must comply with other general and specific requirements associated with being an EN.
<b>Rules for a State VR Agency and EN Serving the Same Ticket Holder (PARTNERSHIP PLUS)</b>			
Rules for Ticket Holders Assigning Tickets to a State Vocational Rehabilitation (VR) Agency	20 C.F.R. §§411.166(a), 411.135, 411.140, 411.535(a)(iii) & 411.585	A State VR agency could elect to be paid under Cost Reimbursement rules, but Ticket must be assigned to the VR agency to be eligible to submit for Cost Reimbursement. No payments allowed under either EN payment system if VR had ticket assigned under Cost Reimbursement.	<p>If a ticket holder assigns a ticket to a State VR agency, then:</p> <ol style="list-style-type: none"> <li>1. the VR agency provides services under Cost Reimbursement method, then a new “in use-SVR” status provides CDR protection for ticket holder, but</li> <li>2. the ticket holder cannot assign the Ticket to an EN while VR has an open case. CDR protection is extended for 90 days after VR case closure, and</li> <li>3. the VR and EN can both receive payment sequentially, VR under Cost Reimbursement and EN under the elected EN payment system after VR case closure and assignment of Ticket to the EN. An EN who accepts a ticket after VR achieves an employment outcome and closes the case is only eligible for Phase 2 Milestone-Outcome and Outcome-only payments. Phase 1 Milestone-Outcome payments will not be available.</li> </ol>

**Source:** CRS table with information from SSA, “Amendments to the Ticket to Work and Self-Sufficiency Program; Final Rule,” 73 *Federal Register* 29324, May 20, 2008. Payment estimates are based on SSA regulations.

- a. For 2014 the substantial gainful activity (SGA) levels are \$1,070 for individuals with disabilities other than blindness and \$1,800 for individuals who are blind.
- b. 20 C.F.R. §411.166(h). A 10% variance tolerance applies.
- c. 20 C.F.R. §411.500. For 2014, the Payment Calculation Base (PCB) is \$1,130.89 for SSDI and \$650.44 for SSI. See <http://www.socialsecurity.gov/OACT/COLA/pcb.html>.

- d. For 2014, the income level for a Trial Work Period (TWP) is \$770.
- e. 20 C.F.R. §411.525(a)(2)(i). Payment of Milestone 4 requires substantial completion of services outlined in the ticket holder's Individualized Work Plan (IWP).

## Appendix B. Description of Employment Network Payment Systems

### Milestone-Outcome EN Payment System

#### Four Phase 1 Milestones

Four Phase 1 milestones are available to compensate ENs for initial efforts that a beneficiary makes toward self-supporting employment. Milestone completion is based on earnings that a beneficiary makes above the TWP threshold. All Phase 1 payments to ENs are equal to 120% of the national average disability payment under SSDI (referred to as the “payment calculation base” or PCB) for ticket holders with earnings from work based on the following schedule:<sup>96</sup>

- *Milestone 1:* A beneficiary has worked for one calendar month and has gross earnings from employment for each of those months that are above the TWP threshold.
- *Milestone 2:* A beneficiary has worked for three calendar months within a six-month period and has gross earnings from employment for each of those months that are above the TWP threshold. The month used to meet the first milestone can be included in the three months used to meet the second milestone.
- *Milestone 3:* A beneficiary has worked for 6 calendar months within a 12-month period and has gross earnings from employment for each of those months that are above the TWP threshold. Any of the months used to meet the first and second milestones can be included in the 6 months used to meet the third milestone.
- *Milestone 4:* A beneficiary has worked for 9 calendar months within an 18-month period and has gross earnings from employment for each of those months that are above the TWP threshold. Any of the months used to meet the first 3 milestones can be included in the 12 months used to meet the fourth milestone.

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<sup>96</sup> See 20 C.F.R. §411.500. For 2014 the PCB for SSDI is \$1,130.89 per month and \$650.44 per month for SSI. In December of each year, SSA calculates a PCB for both the SSDI and SSI programs for the forthcoming year.

For SSDI or concurrent beneficiaries, the PCB is determined by the average monthly disability insurance benefit payable for months during the preceding calendar year to all beneficiaries who are in current pay status for the month for which the benefit is payable. For example, in 2013, there was an average of 8,893,675 SSDI beneficiaries per month with total average monthly payments amounting to \$10,057,808,483. Therefore, the 2014 SSDI PCB (or the average monthly payment per beneficiary in 2013) is \$1,130.89 (i.e., \$10,057,808,483 divided by 8,893,675).

For SSI beneficiaries, the PCB is determined by the average monthly payment of SSI benefits (excluding state supplementation) for months during the preceding calendar year to all beneficiaries who (1) have attained age 18 but have not attained the age of 65, (2) are not concurrent SSDI/SSI beneficiaries, and (3) are in current pay status for the month for which the payment is made. For example, in 2013 the average number of SSI beneficiaries each month meeting the PCB criteria was 3,345,895, and the average total monthly payments for these individuals was \$2,176,308,201. Therefore, the 2014 SSI PCB (or the average monthly payment per beneficiary in 2013) is \$650.44 (i.e., \$2,176,308,201 divided by 3,345,895).

For PCBs in prior years, see <http://www.socialsecurity.gov/OACT/COLA/pcb.html>.

## **Phase 2 Milestones**

Following the successful completion of Phase 1 milestones and as a ticket holder's earnings progress toward self-sufficiency, ENs can become eligible to receive a series of Phase 2 milestone payments. The earnings standard is increased to the SGA threshold for Phase 2 milestones (\$1,070/month or \$1,800/month if blind for 2014) as opposed to the lower TWP threshold (\$770/month for 2014) under Phase 1 milestones. Monthly payments to ENs are equal to 36% of the respective PCB for SSDI (\$1,130.89 for 2014) or SSI (\$650.44 for 2014) for each month that a ticket holder's gross earnings from work are above SGA based on the following schedule:<sup>97</sup>

- up to 11 payments for SSDI ticket holders (\$471 for 2014), or
- up to 18 payments for SSI ticket holders (\$234 for 2014).

## **Outcome Phase**

If a ticket holder's work activity satisfies the requirements for both Phase 1 and Phase 2 milestones under the Milestone-Outcome payment system, ENs can potentially collect additional monthly payments in an "outcome" phase for ticket holders that have earnings sufficient for a zero cash benefit status. That is, the ticket holder has sustained earnings long enough at the SGA level that they are no longer receiving any cash payments from SSA. For ticket holders that qualify for the outcome phase, ENs can receive additional payments that are also equal to 36% of the respective PCB based on the following schedule:

- up to 36 payments for SSDI ticket holders (\$407 for 2014), or
- up to 60 payments for SSI ticket holders (\$234 for 2014).

## **Outcome-Only EN Payment System**

Under the Outcome-only payment system, ENs can receive payment for ticket holders that have earnings sufficient for a zero cash benefit status. Payments for SSDI ticket holders can be made for up to 36 months and up to 60 months for SSI ticket holders. Payments to ENs are equal to 67% of the PCB for SSDI (\$758 for 2014) and SSI (\$436 for 2014).

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<sup>97</sup> Payments to ENs are determined based on ticket holders' gross earnings before any applicable deductions for work incentives.

## Appendix C. SSDI and SSI Employment Supports

Provision	Description
<b>SSDI, SSI or Concurrent Eligibility</b>	
Subsidies and Special Conditions	<p>A subsidy is support provided by an individual's employer that may result in the beneficiary receiving more pay than the actual value of the services performed. Special conditions refer to support provided by an employer or other entity. Because of a specific support, a beneficiary may receive more pay than the actual value of the services performed.</p> <p>SSA does not consider subsidies or special conditions when figuring payment amounts and will only use earnings that represent the real value of the work performed to decide if the work is at the SGA level.</p>
Unsuccessful Work Attempt (UWA)	<p>A UWA is an effort to do substantial work, in employment or self-employment, which a beneficiary stops or reduces to below the SGA level after a short time (6 months or less) because of (1) an impairment or (2) the removal of special conditions related to an impairment and essential to the further performance of work.</p> <p>When SSA makes an SGA decision to determine if disability payments continue or cease because of work, SSA does not count earnings during a UWA.</p>
Impairment-Related Work Expenses (IRWE)	<p>If SSA decides that a beneficiary's "countable earnings" demonstrate performance of SGA, SSA will deduct the cost of certain impairment-related items and services from their gross earnings that the beneficiary needs to work.</p>
Continued Payment under Vocational Rehabilitation or Similar Program (Section 301)	<p>If SSA finds that a beneficiary no longer has a disabling impairment due to medical improvement, payments usually stop. However, if the individual is participating in an appropriate program of vocational rehabilitation or similar services, benefits may continue until participation in the program ends.</p>
Expedited Reinstatement (EXR)	<p>EXR is a safety net for people who successfully return to work and lose their entitlement to SSDI or SSI benefits and payments. If cash payments ended because of work and earnings, and the individual stops working within 5 years of when their benefits ended, SSA may be able to start benefits again.</p>
<b>SSDI Eligibility Only</b>	
Trial Work Period (TWP)	<p>The TWP allows beneficiaries to test their ability to work for at least nine months. During a TWP, beneficiaries will receive full SSDI benefits regardless of how high their earnings might be as long as they report their work activity and have a disabling impairment.</p>
Extended Period of Eligibility (EPE)	<p>The EPE begins the month after the TWP ends, even if the beneficiary is not working that month. The first 36 months of the EPE is the re-entitlement period. The EPE allows an individual to resume receiving benefits if they are not working during the re-entitlement period.</p> <p>During the 36-month re-entitlement period, a beneficiary will get benefits for months that their earnings or work activities are below the substantial gainful activity (SGA) level as long as they continue to have a disabling impairment. SSA suspends benefits for months that earnings are above the SGA level.</p>
Unincurred Business Expenses (Self-Employment)	<p>Unincurred Business Expenses are contributions made by others to a beneficiaries' self-employment business effort. For example, if the state VR agency gives an individual a computer for their business, or a friend works for a beneficiary's business as unpaid help, these are unincurred business expenses.</p> <p>SSA generally follows the Internal Revenue Service (IRS) rules to figure net earnings from self-employment. The IRS only allows individuals to deduct expenses actually paid or incurred debt. When SSA makes an SGA decision,</p>

	they also deduct unincurred business expenses from net earnings to attain an accurate measure of the value of a beneficiary's work.
Continuation of Medicare Coverage	Most persons with disabilities who work will continue to receive at least 93 consecutive months of Hospital Insurance (Part A); Supplemental Medical Insurance (Part B), if enrolled; and Prescription Drug coverage (Part D), if enrolled, after the 9-month TWP. Beneficiaries do not pay a premium for Part A. Although cash benefits may cease due to work, health insurance coverage will continue.
Medicare for Persons with Disabilities Who Work	After premium-free Medicare coverage ends due to work, some persons who have returned to work may buy continued Medicare coverage, as long as they remain medically disabled. Some persons with low incomes and limited resources may be eligible for state assistance with these costs under various Medicare Savings Programs. A state Health and Human Services agency makes the determination about whether a beneficiary qualifies for this assistance.
<b>SSI Eligibility Only</b>	
Earned Income Exclusion	SSA does not count the first \$65 of the earnings that a beneficiary receives in a month, plus one-half of the remaining earnings. In other words, SSA counts less than one-half of earnings when figuring SSI payment amounts.  This exclusion is applied in addition to the \$20 general income exclusion. SSA applies the \$20 general income exclusion first to any unearned income that a beneficiary may receive.
Student Earned Income Exclusion	If a beneficiary is under age 22 and regularly attending school, SSA does not count up to \$1,750 of earned income per month (for 2014) when figuring SSI payment amounts. The maximum yearly exclusion is \$7,060 for 2014. These amounts are usually adjusted each year based on the cost-of-living.
Plan to Achieve Self Support (PASS)	A PASS allows a beneficiary to set aside other income besides SSI and/or resources for a specified period of time so that they may pursue a work goal. For example, if a beneficiary receives SSDI, wages, or other income, they could set aside some of that money to pay expenses for education, vocational training, or starting a business as long as the expenses are related to achieving a work goal.  SSA does not count the income set aside under a PASS when figuring SSI payment amounts. SSA also does not count the resources set aside under a PASS when determining initial and continuing eligibility for SSI.
Property Essential to Self-Support (PESS)	SSA does not count some resources that are essential to self-support when deciding continuing eligibility for SSI.
Special SSI Payments for Persons Who Work – Section 1619(a)	A beneficiary can receive SSI cash payments even when their earned income (gross wages and/or net earnings from self-employment) is at the SGA level. This provision eliminates the need for the TVWP or EPE Eligibility under SSI.
Reinstating SSI Eligibility Without a New Application	If a beneficiary has been ineligible for SSI and/or Medicaid for any reason other than work or medical recovery, SSA may be able to restart SSI cash payments and/or Medicaid coverage within 12 months without a new application. Beneficiaries should contact SSA about restarting benefits when their situation changes.
Special benefits if you are Eligible Under 1619 and Enter a Medical Facility	If a beneficiary is working and eligible under Section 1619, they may receive an SSI cash benefit for up to two months while in a Medicaid facility or a public medical or psychiatric facility.
Medicaid While Working—Section 1619(b)	If a beneficiary returns to work and meets certain qualifications, their Medicaid coverage can continue, even if earnings (alone or in combination with other income) become too high for an SSI cash payment.

## Appendix D. Acronyms

BOND	Benefit Offset National Demonstration
BOPD	Benefits Offset Pilot Demonstration
BPAO	Benefits Planning Assistance and Outreach
CBO	Congressional Budget Office
CDR	Continuing Disability Review
EPE	Extended Period of Eligibility
EXR	Expedited Reinstatement
EN	Employment Network
FBR	Federal Benefit Rate
GAO	Government Accountability Office
IWP	Individualized Work Plan
PABSS	Protection and Advocacy for Beneficiaries of Social Security
PCB	Payment Calculation Base
PM	Program Manager
PTFEAD	Presidential Task Force on the Employment of Adults with Disabilities
SGA	Substantial Gainful Activity
SSI	Supplemental Security Income
SSDI	Social Security Disability Insurance
TPR	Timely Progress Review
TTW	Ticket to Work
TWP	Trial Work Period
VR	Vocational Rehabilitation
WIPA	Work Incentives & Planning Assistance

## Author Information

William R. Morton  
Analyst in Income Security

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